



The Queen's College Oxford

Annual Report and Financial Statements

Year ended 31 July 2011

Governing Body, Officers and Advisers

Report of the Governing Body

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MEMBERS OF THE GOVERNING BODY

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

	Committees		Committees
Prof P A Madden (Provost)	1,2,3,4,5,6	Dr C B Louth	2,3
Prof J R Baines		Dr C J Norbury	3
Prof R A G Pearson	1	Prof D Sarooshi	1
Dr A M Bowie		Dr J P K Doye	1
Prof W J Blair		Dr M J Buckley	3
Prof P A Robbins	1,5	Dr S Aldridge	3
Prof P J Dobson		Mr D Gillard	1,5,6
Dr P T Harries		Dr C L Leaver	4
Prof J Hyman		Dr Y Capdeboscq	
Dr R B Nickerson	1,4,5,6	Dr A Timms	1,4,5
Dr J H Davis	2,3	Prof J R Pannell	2
Prof R A Taylor	1	Dr P Papazoglou	
Prof C C Rowland		Dr L Lonsdale	
Prof J A Langdale		Dr A Silverstein	
Prof E J C Mellor	2	Dr R Beasley	
Dr N J Owen	3	Prof I P M Tomlinson	
Prof Sir J Ball		Dr C V Crowther	
Dr O L Rees		Professor C A O'Callaghan	
Mr N C Bamforth		Prof R N N Robertson	Elected 01/10/2010
Dr L Irving-Bell	1,2,4,5	Prof I Tyrrell	Elected 01/10/2010 for one year
Dr K A Q O'Reilly	1	Dr L Phalippou	Elected 20/10/2010

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.

During the year the activities of the Governing Body were carried out through committees. Current membership of the principal committees is shown above for each Fellow. The committees included are:

(1) Estates and Finance; (2) Domestic; (3) Academic; (4) Development;
(5) Conference and Business; (6) Remuneration, GB members who receive remuneration are in attendance only and non-voting.

The external members of the Remuneration Committee are: Mr Adrian Beecroft, Sir Christopher Bland, Mr Nick Kitchen, Mrs Janet Lewis, Mr Paul Newton, Mr David Seymour

COLLEGE DAY-TO-DAY MANAGEMENT

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

The Provost	<i>Prof Paul Madden</i>
Estates Bursar	<i>Dr Richard B Nickerson</i>
Tutor for Undergraduates	<i>Dr John H Davis</i>
Dean	<i>Prof E Jane C Mellor</i>
Tutor for Graduates	<i>Dr Nicholas J Owen</i>
Domestic Bursar	<i>Dr Linda Irving-Bell</i>
Senior Tutor	<i>Dr Chris J Norbury</i>
Tutor for Admissions	<i>Dr Charlie B Louth</i>
Director of Development	<i>Dr Andrew Timms</i>

COLLEGE ADVISERS

Investment property managers

Smiths Gore, The Old Barn, Worton Park, Cassington, Oxford OX29 4SX

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

Portfolio Investment Advisor

Cambridge Associates

Auditor

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

Bankers

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

Solicitors

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

College address

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

Website

www.queens.ox.ac.uk

The members of the Governing Body present their Annual Report for the year ended 31 July 2011 under the Charities Act 1993 together with the audited financial statements for the year.

REFERENCE AND ADMINISTRATIVE INFORMATION

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

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

The College is governed by its Statutes dated 26 May 2010

Governing Body

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

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

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

Recruitment and training of members of the Governing Body

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

Members of the Governing Body are briefed annually by the Provost on current issues in the sector and updates to regulatory requirements. Student representatives attend the Governing Body for the unreserved part of the agenda.

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, Estates Bursar, Home Bursar, Secretary to the Governing Body and at least six further Fellows and meets nine times per year. The role of the committee is to keep the financial position of the College under review and to recommend actions with the purpose of securing the long-term financial security of the College in order that it might meet its objectives.
- The Domestic Committee includes the Provost, Home Bursar, Dean, Tutor for Undergraduates and Hardship Officer, together with two student representatives, and meets nine times per year. The Committee oversees all College activities relating to accommodation, the fabric of the College buildings and the provision of meals.
- 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 a 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, Estates Bursar, Home Bursar, Director of Development and at least two further Fellows and meets three times per year. Its role is to maintain good relationships with Old Members of the College and to oversee the College's fundraising activities.
- The Conference and Business Committee consists of the Provost, Estates Bursar, Director of Development and at least two further Fellows and meets six times per year to consider the use of the College facilities for conferences and other income-generating business.
- The Remuneration Committee meets annually 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 is attended by the Provost and Estates Bursar, who acts as secretary. No voting member of the Committee may draw a stipend or any other form of benefit from the College.

The day-to-day running of the College is delegated to the Provost, supported by other senior staff. The Provost chairs all meetings of the Governing Body's Committees.

Group structure and relationships

The College also administers many trusts and specific funds, as outlined in notes 18 and 19 to the financial statements and has a wholly owned non-charitable subsidiary: The Queen's College Trading Company Limited. The subsidiary did not trade during the year. Its trading activities will primarily comprise letting of the College facilities when not in use by the College. Any profits will be donated to the College through Gift Aid.

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

Risk management

The College is engaged in risk assessment on an ongoing basis. When it is not able to address risk issues using internal resources, the College takes advice from experts external to the College with specialist knowledge. Policies and procedures within the College are reviewed by the relevant College Committee, chaired by the Provost or one of the Bursars. Financial and investment risks are assessed by the Estates and Finance Committee. In addition, the Home Bursar and domestic staff heads meet regularly to review health and safety issues. Training courses and other forms of career development are available, when requested, to members of staff to enhance their skills in risk-related areas.

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

OBJECTIVES AND ACTIVITIES

Charitable Objects and Aims

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

The College's aims for the public benefit are:

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

The Governing Body is mindful of the long-standing requirement to provide public benefit and of the disclosure requirements of the Charities Act 2006. 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 subsidiary

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

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

Significant activities in the year

In common with all colleges of Oxford and Cambridge Universities, Queen's was exempt from regulation by the Charity Commission until June 2010, when this status was abolished by statutory instrument laid before parliament enacting part of the Charities Act 2006. In preparation for registration with the Commission the College conducted a review of its Statutes, which were approved in amended form by the Privy Council in May 2010; the College was registered with the Commission on 23 June 2011.

The College admitted 99 new undergraduate students and 49 postgraduate students during the year, bringing the total numbers in residence to 344 and 147 respectively. Eight new part-time College Lecturers were appointed to supplement the teaching provided by Fellows, and College associations were extended to a Statutory University Professor and University Lecturers without College Tutorial Fellowship responsibilities. Those in the latter category contribute importantly to the arrangement of teaching, admissions, interviewing and research activities of the College. Thirteen Research Fellows were appointed, of which two were to newly created posts. Under a new initiative to improve pastoral care for our students and to help ensure that the College environment is conducive to study, two residential Junior Deans were appointed from among the graduate students of the College.

College representatives made seven visits to address pupils from groups of schools to explain the admissions procedure and the benefits of studying at Oxford, while pupils from a total of 88 schools visited Queen's during the course of the year. 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 strengthened towards the end of the year by the decision to appoint a Schools Liaison and Outreach Officer (0.5 FTE) from September 2011.

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. £94,011 was spent in support of all sports, £2,614 in support of music and £23,980 on the student common rooms.

The library was open to students 24 hours a day during all three terms. It purchased new texts as required in support of the undergraduates at a cost of £21,744.

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 £36,146. This contribution makes a significant difference to the final quality of work that can be achieved in many disciplines.

Our 75 choral services over the year (mainly on Sunday, Wednesday and Friday evenings) have 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 100% of the undergraduate body and to roughly 50% 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 £1,441 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 2010/11 the number of awards made to Queen's students was 92 the total value of which was £212,843. In addition the College awarded 46 Scholarships, each with a value of £200 and 11 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 £89,919. In addition the College operates a targeted Hardship Scheme, which made awards to both undergraduates and graduates to a total value of £15,174.

The College provides academic support to students through a book and equipment grant and an academic travel grant scheme which made awards totalling £23,426 in 2010/11.

It operates an outreach programme to raise educational aspiration and attract outstanding applicants who might not otherwise have considered applying to the College. The College employs an 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 due, in part, to the outstanding quality of the Choir. The Choir also sang for several external events around the country.

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. There were over 200 visits by scholars from across the world to consult this collection. In addition, a substantial number of public interest visits to the library to view the building and parts of the collection were hosted.

The College maintains a sports field and groundsman, primarily for the use of its members, but which are used extensively by local clubs, especially during the vacations.

ACHIEVEMENTS AND PERFORMANCE

The College completed a wholesale review of its Statutes and the process of registration as a Charity.

Ninety-one undergraduates passed final examinations in June 2011, including 24 with first class honours, and during the course of the 2010/11 academic year 28 post-graduates completed doctoral research degrees. A further 25 completed post-graduate taught courses and five completed the Clinical Medicine (BM BCh) degree.

The construction of the new kitchens and dining room was completed in July 2010, a project which had lasted two years at cost of £8m. The building work on the new Auditorium/Lecture Theatre, which began in February 2010 with an expected completion date of August 2011, was continued.

The Estates and Finance Committee completed a major reorganisation of the Management Accounts with the objective of providing a readily comprehensible set of accounts to enable planning decisions.

In the financial year 2010/11 the College received £2,497,036 in gifts from Old Members and other benefactors. The College is very grateful for this generous support.

FINANCIAL REVIEW

The College's financial performance during the year was satisfactory. Net incoming resources for the year before investment gains were £1,786,000. Expenditure in all departments was in line with budgets. There was no call on reserves. There is nothing of concern to highlight.

The endowment assets produced a total return of 19.4%, of which 17.7% was in capital growth. This is a good performance in the prevailing market conditions. At the end of the year the funds of the College had increased from £166,508,000 to £194,533,000 net of long term bank borrowings of £15,000,000 (2010: £15,000,000)

Reserves policy

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

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

Investment policy, objectives and performance

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

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

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

The investment strategy, policy and performance are monitored by the Estates and Finance Committee. At the year end, the College's long term investments, combining the securities and property investments, totalled £189,077,000.

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 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 2011/12 the College will:

- Complete the building of the new Lecture Theatre/Auditorium
- Commence the planning of the refurbishments of the Library and Florey Building
- Appoint an Access Officer, to facilitate outreach work
- Complete the appointment of a University Lecturer in Plant Sciences and bid for association with new University Lectureships in Pharmacology, Japanese (ULNTF) and Fine Art (ULNTF)
- Start fundraising for the College component for Teaching Fund endowment of posts in Classics and Pathology.

STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES

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

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

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

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

The Governing Body is responsible for keeping proper accounting records that are sufficient to show and explain the College's transactions and disclose with reasonable accuracy at any time the financial position of the College and enable them to ensure that the financial statements comply with the Charities Act 1993. 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 3rd December 2011 and signed on its behalf by:

Prof P A Madden
Provost

The Queen's College, Oxford

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

We have audited the financial statements of The Queen's College for the year ended 31 July 2011 which comprise the Statement of Accounting Policies, the Consolidated Statement of Financial Activities, the Consolidated and College Balance Sheets, the Consolidated Cash Flow Statement and the related notes numbered 1 to 30. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the College's Governing Body in accordance with section 44 of the Charities Act 1993. 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 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act.

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

Scope of the audit of the financial statements

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

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charity's affairs as at 31 July 2011 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 1993.

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 1993 requires us to report to you if, in our opinion:

- the information given in the Report of the Governing Body is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept by the parent charity; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Critchleys LLP

Statutory Auditor
Oxford

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

1. Scope of the financial statements

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

2. Basis of accounting

The financial statements have been prepared under the Charities Act 2006 and in accordance with the Statement of Recommended Practice on Accounting and Reporting by Charities issued in 2005 ("the Charities SORP") and applicable accounting standards. The financial statements are drawn up on the historical cost basis of accounting as modified by the revaluation of investment properties and other investments.

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

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

4. Incoming resources from donations and legacies

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

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

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

5. Investment income

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

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

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

6. Expenditure

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

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

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

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

7. Leases

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

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

8. Tangible fixed assets

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

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

9. Depreciation

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

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

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

10. Investments

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

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

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

11. Stocks

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

12. Foreign currencies

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

13. Total Return investment accounting

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

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

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

14. Fund accounting

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

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

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

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

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

15. Pension costs

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

The Queen's College
Consolidated Statement of Financial Activities
For the year ended 31 July 2011

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2011 Total £'000	2010 Total £'000
INCOMING RESOURCES						
Resources from charitable activities	1					
Teaching and research		4,163	0	0	4,163	3,936
Resources from generated funds						
Legacies and donations		1,362	1,135	0	2,497	3,356
Trading income	2	287	0	0	287	290
Investment income	3	244	108	2,564	2,916	3,139
Bank and other interest	4	3	1	31	35	11
		<u>1,896</u>	<u>1,244</u>	<u>2,595</u>	<u>5,735</u>	<u>6,796</u>
Total Incoming Resources		<u>6,059</u>	<u>1,244</u>	<u>2,595</u>	<u>9,898</u>	<u>10,732</u>
RESOURCES EXPENDED						
Cost of generating funds	5					
Fundraising		114	0	0	114	191
Trading expenditure		258	0	0	258	261
Investment management costs		36	0	327	363	192
		<u>408</u>	<u>0</u>	<u>327</u>	<u>735</u>	<u>644</u>
Charitable activities	5					
Teaching and research		6,898	390	75	7,363	6,880
		<u>6,898</u>	<u>390</u>	<u>75</u>	<u>7,363</u>	<u>6,880</u>
Governance costs	8	14	0	0	14	14
Total Resources Expended		<u>7,320</u>	<u>390</u>	<u>402</u>	<u>8,112</u>	<u>7,538</u>
Net incoming/(outgoing) resources before transfers		(1,261)	854	2,193	1,786	3,194
Transfers between funds	18	4,582	(634)	(3,948)	0	0
Net incoming/(outgoing) resources before other gains and losses		<u>3,321</u>	<u>220</u>	<u>(1,755)</u>	<u>1,786</u>	<u>3,194</u>
Investment gains/(losses)		2,615	1,156	22,468	26,239	24,280
Net movement in funds for the year		<u>5,936</u>	<u>1,376</u>	<u>20,713</u>	<u>28,025</u>	<u>27,474</u>
Fund balances brought forward	18	27,300	6,221	132,987	166,508	139,034
Funds carried forward at 31 July	18	<u>33,236</u>	<u>7,597</u>	<u>153,700</u>	<u>194,533</u>	<u>166,508</u>

The Queen's College
Consolidated and College Balance Sheets
As at 31 July 2011

	Notes	2011 Group £'000	2010 Group £'000	2011 College £'000	2010 College £'000
FIXED ASSETS					
Tangible assets	10	18,872	16,747	18,872	16,747
Property investments	11	64,067	53,469	64,067	53,469
Securities and other investments	12	125,010	109,463	125,010	109,463
		207,949	179,679	207,949	179,679
CURRENT ASSETS					
Stocks		354	358	354	358
Debtors	15	1,147	1,318	1,147	1,318
Cash at bank and in hand		1,182	1,426	1,182	1,426
		2,683	3,102	2,683	3,102
CREDITORS: falling due within one year	16	1,099	1,273	1,099	1,273
NET CURRENT ASSETS/(LIABILITIES)		1,584	1,829	1,584	1,829
TOTAL ASSETS LESS CURRENT LIABILITIES		209,533	181,508	209,533	181,508
CREDITORS: falling due after more than one year	17	15,000	15,000	15,000	15,000
NET ASSETS		194,533	166,508	194,533	166,508
FUNDS OF THE COLLEGE					
	18				
Endowment funds		153,700	132,987	153,700	132,987
Restricted funds		7,597	6,221	7,597	6,221
Unrestricted funds					
Designated funds		30,601	24,793	30,601	24,793
General funds		2,635	2,507	2,635	2,507
		194,533	166,508	194,533	166,508

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

Trustee:

Trustee:

The Queen's College
Consolidated Cash Flow Statement
For the year ended 31 July 2011

	Notes	2011 Group £'000	2010 Group £'000
Net cash inflow/(outflow) from operations	24	(519)	732
Returns on investments and servicing of finance			
Income from investments		2,951	3,150
Finance costs paid		(161)	(128)
		2,790	3,022
Capital expenditure and financial investment			
Payments for tangible fixed assets		(2,603)	(5,217)
Payments for investments		(9,668)	(5,233)
Proceeds from sales of investments		9,762	3,246
		(2,509)	(7,204)
Financing			
New bank loans		0	4,500
Capital element of finance lease payments		(6)	(9)
		(6)	4,491
Increase/(decrease) in cash in the year		(244)	1,041
Reconciliation of net cash flow to movement in net funds			
Increase/(decrease) in cash in the year		(244)	1,041
(Increase)/decrease in loan and lease finance		6	(4,491)
Change in net funds		(238)	(3,450)
Net funds at start of year		(13,581)	(10,131)
Net funds at end of year		(13,819)	(13,581)

The Queen's College
Notes to the financial statements
For the year ended 31 July 2011

1 INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2011 Total £'000	2010 Total £'000
Teaching and research					
Tuition fees - UK and EU students	1,057	0	0	1,057	1,104
Tuition fees - Overseas students	398	0	0	398	329
Other HEFCE support	275	0	0	275	329
Other academic income	339	0	0	339	222
College residential income	2,094	0	0	2,094	1,952
	4,163	0	0	4,163	3,936

The above analysis includes £1,381,000 received from Oxford University under the CFF Scheme, net of College fees received directly (2010 - £1,425,000)

2 TRADING INCOME

	2011 £'000	2010 £'000
Other trading income	287	290

3 INVESTMENT INCOME

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2011 Total £'000	2010 Total £'000
Agricultural rent	32	14	338	384	381
Commercial rent	129	57	1,350	1,536	1,761
Other property income	0	0	5	5	14
Equity dividends	83	37	871	991	968
Other investment income	0	0	0	0	15
	244	108	2,564	2,916	3,139

4 BANK AND OTHER INTEREST INCOME

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2011 Total £'000	2010 Total £'000
Bank interest	3	1	31	35	11

The Queen's College
Notes to the financial statements
For the year ended 31 July 2011

5 ANALYSIS OF RESOURCES EXPENDED

	Direct staff costs £'000	Other direct costs £'000	Support costs £'000	2011 Total £'000	2010 Total £'000
Costs of generating funds					
Fundraising	71	43	0	114	191
Trading expenditure	146	83	29	258	261
Investment management costs	0	46	317	363	192
Total costs of generating funds	217	172	346	735	644
Charitable expenditure					
Teaching and research	3,757	2,524	1,082	7,363	6,880
Total charitable expenditure	3,757	2,524	1,082	7,363	6,880
Governance costs	0	14	0	14	14
Total resources expended	3,974	2,710	1,428	8,112	7,538

The College is liable to be assessed for Contribution under the provisions of Statute XV of the University of Oxford. The Contribution Fund is used to make grants and loans to colleges on the basis of need. Contribution is calculated annually in accordance with regulations made by the Council.

The teaching and research costs include College Contribution payable of £221,000 (2010 - £222,000).

6 SUPPORT COSTS

	Generating Funds £'000	Teaching and Research £'000	2011 Total £'000	2010 Total £'000
Financial and domestic admin	187	453	640	719
Human resources	0	16	16	18
IT	5	130	134	124
Depreciation	0	478	478	324
Bank interest payable	155	0	155	127
Other finance charges	0	6	6	6
	346	1,082	1,429	1,318

Finance and administration and human resources costs are attributed according to the estimated staff time spent on each activity. Depreciation costs are attributed according to the use made of the underlying assets. IT costs are attributed according to departmental headcount. Interest and other finance charges are attributed according to the purpose of the related financing.

The Queen's College
Notes to the financial statements
For the year ended 31 July 2011

7 GRANTS AND AWARDS

	Unrestricted Funds £'000	Restricted Funds £'000	2011 Total £'000	2010 Total £'000
During the year the College funded research awards and bursaries to students from its restricted and unrestricted fund as follows:				
Scholarships, prizes and grants	44	77	121	81
Bursaries and hardship awards	235	1	236	214
	279	78	357	295

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

8 GOVERNANCE COSTS

	2011 £'000	2010 £'000
Governance costs comprise:		
Auditor's remuneration - audit services	14	14
	14	14

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 in note 21.

The Queen's College
Notes to the financial statements
For the year ended 31 July 2011

9 STAFF COSTS

	2011	2010
	£'000	£'000
The aggregate payroll costs for the year were as follows.		
Salaries and wages	3,812	3,630
Social security costs	274	261
Pension costs	474	460
	4,560	4,351

	2011	2010
The average number of permanent employees of the College, excluding Trustees, on a full time equivalent basis was as follows.		
Tuition and research	20	21
College residential	70	68
Fundraising	2	2
Support	34	34
Total	126	125

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

University Lecturers	17	16
CUF Lecturers	9	9
Other teaching and research	2	2
Other	3	3
Total	31	30

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

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

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

£60,001-£70,000	1	0
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The number of the above employees with retirement benefits accruing was as follows:

In defined benefits schemes	1	0
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The Queen's College
Notes to the financial statements
For the year ended 31 July 2011

10 TANGIBLE FIXED ASSETS

Group	Freehold land and buildings £'000	Fixtures, Fittings and Equipment £'000	Total £'000
Cost			
At start of year	19,511	135	19,646
Additions	2,603	0	2,603
Disposals	0	0	0
At end of year	22,114	135	22,249
Depreciation			
At start of year	2,791	108	2,899
Charge for the year	469	9	478
On disposals	0	0	0
At end of year	3,260	117	3,377
Net book value At end of year	18,854	18	18,872
At start of year	16,720	27	16,747
College	Freehold land and buildings £'000	Fixtures, Fittings and Equipment £'000	Total £'000
Cost			
At start of year	19,511	135	19,646
Additions	2,603	0	2,603
Disposals	0	0	0
At end of year	22,114	135	22,249
Depreciation			
At start of year	2,791	108	2,899
Charge for the year	469	9	478
On disposals	0	0	0
At end of year	3,260	117	3,377
Net book value At end of year	18,854	18	18,872
At start of year	16,720	27	16,747

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

The Queen's College
Notes to the financial statements
For the year ended 31 July 2011

11 PROPERTY INVESTMENTS

Group and College	Agricultural £'000	Commercial £'000	Other £'000	2011 Total £'000	2010 Total £'000
Valuation at start of year	24,022	25,071	4,376	53,469	49,140
Disposals net proceeds	0	(542)	0	(542)	(105)
Revaluation gains/(losses) in the year	1,856	8,683	601	11,140	4,434
Valuation at end of year	25,878	33,212	4,977	64,067	53,469

A formal valuation of the agricultural properties was prepared by Smiths Gore as at 31 July 2010. This valuation was updated to 31 July 2011 using information provided by the trustees

A formal valuation of the commercial and other properties was prepared by Lambert Smith Hampton as at 31 July 2010. This valuation was updated to 31 July 2011 using information provided by the trustees

12 SECURITIES AND OTHER INVESTMENTS

	2011 £'000	2010 £'000
Group investments		
Valuation at start of year	109,463	87,525
New money invested	9,668	5,233
Amounts withdrawn	(9,220)	(3,141)
(Decrease)/increase in value of investments	15,099	19,846
Group investments at end of year	125,010	109,463
Investment in subsidiaries	0	0
College investments at end of year	125,010	109,463

Group investments comprise:	Held outside the UK £'000	Held in the UK £'000	2011 Total £'000	2010 Total £'000
Equity investments		92,717	92,717	81,883
Alternative and other investments	29,744	437	30,181	25,477
Fixed term deposits and cash		2,112	2,112	2,103
Total group investments	29,744	95,266	125,010	109,463

13 SUBSIDIARY UNDERTAKINGS

The College holds 100% of the issued share capital in The Queen's College Oxford Trading Limited, a company established to provide conference and other event services on the College premises. The company did not trade during the year

The Queen's College
Notes to the financial statements
For the year ended 31 July 2011

14 STATEMENT OF INVESTMENT TOTAL RETURN

The Trustees have adopted a duly authorised policy of total return accounting for the College investment returns with effect from 1 August 2002. The investment return to be applied as income is based on the return on the classes of investments held and the average of the year-end values of the relevant investments in each of the last five years adjusted for inflation. For the this year the transfer was 3.2%

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

	Permanent Endowment £'000	Expendable Endowment £'000	Total £'000
Investment total return			
Income distributions	2,475	120	2,595
Capital gains/losses	21,427	1,041	22,468
Investment management costs	(314)	(13)	(327)
Total return for the year	<u>23,588</u>	<u>1,148</u>	<u>24,736</u>
Amount applied as income for spending	<u>(3,834)</u>	<u>(114)</u>	<u>(3,948)</u>
Net increase in Unapplied Total Return in the year	19,754		
Unapplied Total Return at start of year	53,400		
Unapplied Total Return at end of year	<u>73,154</u>		
Preserved value of original permanent endowments	<u>70,022</u>		

15 DEBTORS

	2011 Group £'000	2010 Group £'000	2011 College £'000	2010 College £'000
Amounts falling due within one year:				
Trade debtors	204	488	204	488
Amounts owed by College members	141	205	141	205
Loans repayable within one year	142	47	142	47
Prepayments and accrued income	20	18	20	18
Other Debtors	53	8	53	8
Amounts falling due after more than one year:				
Loans	587	552	587	552
	<u>1,147</u>	<u>1,318</u>	<u>1,147</u>	<u>1,318</u>

16 CREDITORS: falling due within one year

	2011 Group £'000	2010 Group £'000	2011 College £'000	2010 College £'000
Obligations under finance leases	1	7	1	7
Trade creditors	191	368	191	368
Taxation and social security	211	168	211	168
College contribution	244	230	244	230
Accruals and deferred income	199	133	199	133
Other creditors	253	367	253	367
	<u>1,099</u>	<u>1,273</u>	<u>1,099</u>	<u>1,273</u>

The Queen's College
Notes to the financial statements
For the year ended 31 July 2011

17 CREDITORS: falling due after more than one year

	2011 Group £'000	2010 Group £'000	2011 College £'000	2010 College £'000
Bank loans	15,000	15,000	15,000	15,000
	15,000	15,000	15,000	15,000

The bank loans are unsecured

18 FUNDS OF THE COLLEGE MOVEMENTS

	At 1 August 2010 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2011 £'000
Endowment Funds - Permanent						
Corpus Permanent Endowment	95,031	1,906	(284)	(2,911)	16,498	110,240
Trusts within College objects	28,257	567	(30)	(919)	4,906	32,781
Trusts outside College objects	134	2		(4)	23	155
Endowment Funds - Expendable						
Corpus Expendable Endowment	7,565	80	(42)	(93)	694	8,204
Pension Fund	2,000	40	(46)	(21)	347	2,320
Total Endowment Funds	132,987	2,595	(402)	(3,948)	22,468	153,700
Restricted Funds						
Trusts within College objects	844	17	(234)	362	146	1,135
Trusts outside College objects	40	1		4	7	52
Specific funds	4,519	1,226	(156)	(1,000)	807	5,396
Specific balances	818				196	1,014
Total Restricted Funds	6,221	1,244	(390)	(634)	1,156	7,597
Unrestricted Funds						
General Funds	2,507	4,464	(6,237)	1,681	220	2,635
Fixed Assets Reserve	16,747		(478)	2,603		18,872
Building Fund	4,379	159	(592)	2,024	1,379	7,349
Donations Fund	3,667	1,436	(13)	(1,726)	1,016	4,380
Total Unrestricted Funds	27,300	6,059	(7,320)	4,582	2,615	33,236
Total Funds	166,508	9,898	(8,112)	0	26,239	194,533

The Queen's College
Notes to the financial statements
For the year ended 31 July 2011

19 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

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.
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
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:

Designated Funds

Building Fund	Unrestricted Funds allocated by the Fellows for future costs of maintenance and refurbishment of College buildings
Donations Fund	Unrestricted Funds allocated by the Fellows for future unspecified costs

General Funds

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

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total £'000
Tangible fixed assets	18,872	0	0	18,872
Property investments	4,731	2,437	56,899	64,067
Securities and other investments	9,156	5,731	110,123	125,010
Net current assets / (liabilities)	1,585	(1)	0	1,584
Long term loans	(1,108)	(570)	(13,322)	(15,000)
	<u>33,236</u>	<u>7,597</u>	<u>153,700</u>	<u>194,533</u>

21 TRUSTEES' REMUNERATION

Trustee remuneration

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

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

The Remuneration Committee meets annually 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 is attended by the Provost and Estates Bursar, 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 are also three trustees, the Provost, Home Bursar and Development Director who work full time on management and fundraising.

Some trustees are eligible for college housing schemes.

Some may be eligible for a housing allowance which is disclosed within the salary figures below.

Thirteen trustees live in houses partly funded by loans from the College. Details of these loans are disclosed in note 28.

Some trustees receive additional allowances for additional work carried out as part time college officers.

These include the Estates Bursar and Senior Tutor. These amounts are included within the remuneration figures below.

The total remuneration and taxable benefits as shown below is £1,194,000 (2009-10 £1,162,000).

The total of pension contributions is £167,000 (2009-10 £160,000).

The Queen's College
Notes to the financial statements
For the year ended 31 July 2011

21 TRUSTEES' REMUNERATION (Continued)

Remuneration paid to trustees

Range	2010-2011		2009-2010	
	Number of trustees	Gross remuneration, taxable benefits and pension contributions £	Number of trustees	Gross remuneration, taxable benefits and pension contributions £
£1-£999	2	1,048	1	196
£1,000-£1,999	1	1,264	1	1,508
£22,000-£22,999	0	-	1	22,264
£26,000-£26,999	0	-	2	53,885
£27,000-£27,999	1	27,374	1	27,417
£28,000-£28,999	2	57,803	0	-
£29,000-£29,999	0	-	2	59,548
£30,000-£30,999	2	60,910	3	91,840
£31,000-£31,999	4	126,437	3	94,768
£32,000-£32,999	1	32,324	0	-
£33,000-£33,999	1	33,463	1	33,483
£34,000-£34,999	2	68,850	0	-
£36,000-£36,999	0	-	1	36,507
£37,000-£37,999	1	37,852	0	-
£43,000-£43,999	1	43,907	1	43,503
£49,000-£49,999	1	49,632	0	-
£50,000-£50,999	0	-	1	50,083
£51,000-£51,999	0	-	1	51,138
£52,000-£52,999	1	52,245	0	-
£57,000-£57,999	1	57,813	0	-
£58,000-£58,999	1	58,788	2	117,115
£60,000-£60,999	1	60,918	0	-
£61,000-£61,999	1	61,839	1	61,196
£63,000-£63,999	1	63,283	1	63,281
£66,000-£66,999	0	-	1	66,127
£67,000-£67,999	1	67,982	2	135,122
£68,000-£68,999	1	68,496	0	-
£70,000-£70,999	0	-	1	70,823
£71,000-£71,999	1	71,609	0	-
£72,000-£72,999	0	-	1	72,972
£73,000-£73,999	1	73,372	0	-
£83,000-£83,999	1	83,698	1	83,477
£85,000-£85,999	0	-	1	85,458
£99,000-£99,999	1	99,727	0	0

11 (2009-10: 9) trustees were not employees of the college and did not receive remuneration.

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

Trustee expenses

No fellow claimed any expenses for work as a trustee.

Other transactions with trustees

Other transactions with the trustees are disclosed in note 28.

22 PENSION SCHEMES

The Pension Schemes

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

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

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

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

Actuarial valuations

		USS	OSPS
Date of valuation:		31/03/2008 ^a	31/03/2010
Date valuation results published:		04/02/2009	30/06/2011
Value of liabilities:		£28,135m	£394m
Value of assets:		£28,842m	£312m
Funding Surplus/(Deficit):		£707m ^b	(£82m) ^c
Principal assumptions:			
	Rate of interest (past service liabilities)	4.4% pa	-
	Rate of interest (future service liabilities)	6.1% pa	-
	Rate of interest (periods up to retirement)	-	7.0% pa
	Rate of interest (periods after retirement)	-	5.0% pa
	Rate of increase in salaries	4.3% pa	4.7% pa
	Rate of increase in pensions	3.3% pa	3.7% pa
Mortality assumptions:			
	Assumed life expectancy at age 65 (males)	23 yrs	22 yrs
	Assumed life expectancy at age 65 (females)	25 yrs	24 yrs
Funding Ratios:			
	Technical Provisions basis:	103% ^u	79%
	Statutory Pension Protection Fund basis:	107%	86%
	"Buy-out" basis:	79% ^u	52%
	Estimated FRS17 basis	104% ^u	77%
Recommended Employer's contribution rate (as % of pensionable salaries):		16% ^e	21.5% ^c
Effective date of next valuation:		31/03/2011 ^a	31/03/2013

22 PENSION SCHEMES (Continued)

Notes:

- a. USS' actuary will undertake an actuarial valuation of the Scheme as at 31 March 2011, the results of which are not expected to be finalised until December 2011, with publication of the final results in 2012.
- b. In the light of the considerable swings in markets since the valuation date, the nature of the demographic and financial assumptions used in the ongoing and solvency valuations, the significant positive cash flows and equity orientated investment strategy, USS' actuary recommended, and the Trustee agreed, that the small ongoing funding surplus should be carried forward to the next valuation.
- c. OSPS' actuarial valuation as at 31 March 2010 identified a required long-term employer contribution rate of 18.2% of total pensionable salaries, but also a funding deficit of £82.4m. The University, on behalf of all the employers participating in the scheme, has agreed with the trustees of OSPS to address this deficit by continuing the employer contribution rate at the previously agreed rate of 21.5% of total pensionable salaries (this being the rate paid by the employer since 1 August 2008). The actuary has certified that the additional contribution should eliminate the deficit by 31 March 2027.
- d. Since 31 March 2008, global investment markets have continued to fluctuate and the actuary has estimated the funding level of USS had fallen from 103% at 31 March 2008 to 91% (a deficit of £3,065m) at 31 March 2010. Compared to the previous 12 months, the funding level has improved from 74% as at 31 March 2009 to 91%. These estimates are based on the funding level at 31 March 2008, adjusted to reflect the fund's actual investment performance over the two years and changes in market conditions (market conditions affect both the valuation rate of interest and also the inflation assumption which in turn impacts on the salary and pension increase assumptions). On the FRS17 basis, the actuary estimated that the funding level at 31 March 2010 was 80% and on a buy out basis was approximately 57%.
- e. The USS employer contribution rate required for future service benefits alone at the date of the valuation was 16.0% of total pensionable salaries and the Trustee company, on the advice of the actuary, implemented the increase from 14% to 16% on 1 October 2009. The USS Joint Negotiating Committee has discussed the funding position of the Scheme and has proposed a package of changes, including the admission of new members into a Care Average Revalued Earnings section, to be implemented with effect on 1 October 2011. The changes are required to ensure the future sustainability of the Scheme. Further details about the changes may be reviewed on USS' website, www.uss.co.uk.

Sensitivity of actuarial valuation assumptions:

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

Assumption	Change in assumption	Impact on scheme liabilities	
		USS	OSPS
Valuation rate of interest	increase/decrease by 0.5%	decrease /	decrease /
		increase by £2.2bn	increase by £35m
Rate of pension increases	increase/decrease by 0.5%	increase /	increase /
		decrease by £1.5bn	decrease by £25m
Rate of salary growth	increase/decrease by 0.5%	increase /	increase /
		decrease by £0.7bn	decrease by £5m
Rate of mortality	more prudent assumption (mortality used at last valuation, rated down by a further year)	increase by	increase by
		£1.6bn	£10m

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22 PENSION SCHEMES (Continued)

Pension charge for the year:

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

	2011 £'000	2010 £'000
Universities Superannuation Scheme	263	255
University of Oxford Staff Pension Scheme	211	205
	474	460

23 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.

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

	2011 £'000	2010 £'000
Net incoming resources for the year	1,786	3,194
Elimination of non-operating cash flows:		
- Investment income	(2,951)	(3,150)
- Financing costs	161	128
Depreciation	478	325
(Surplus)/loss on sale of fixed assets	0	0
Decrease in stock	4	2
Decrease/(Increase) in debtors	171	(194)
(Decrease) in creditors	(168)	427
Net cash inflow/(outflow) from operations	(519)	732

25 ANALYSIS OF CHANGES IN NET FUNDS

	2010 £'000	Cash flow £'000	2011 £'000
Cash at bank and in hand	1,426	(244)	1,182
Bank loans due after one year	(15,000)	0	(15,000)
Finance lease obligations due within one year	(7)	6	(1)
	(13,581)	(238)	(13,819)

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26 FINANCIAL COMMITMENTS

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

27 CAPITAL COMMITMENTS

The College had contracted commitments at 31 July for future capital projects totalling £1,200,000 (2010 - £2,335,000)

28 RELATED PARTY TRANSACTIONS

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

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

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

	2011	2010
	£'000	£'000
Aldridge S	77	82
Beasley R	95	0
Buckley M	126	46
Doye J	61	65
Irving-Bell L	24	31
Lonsdale L	90	95
Louth C	56	61
Madden P	25	25
Mellor EJC	17	21
Owen NJ	35	39
Pannell J	90	95
Rees OL	24	28
Taylor RA	0	1

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

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

29 CONTINGENT LIABILITIES

There are no contingent liabilities at the year end

30 POST BALANCE SHEET EVENTS

No post balance sheet events require disclosure