



## **NEW COLLEGE DEVELOPMENT FUND**

# Report of the Trustees and Financial Statements

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For the year ended 31 July 2016

Registered Charity Number 900202

## **NEW COLLEGE DEVELOPMENT FUND**

### **Annual Report of the Trustees for the Year Ended 31 July 2016**

The Trustees present their report together with the audited financial statements of the Charity for the year ended 31 July 2016. The financial statements have been prepared in accordance with the revised Statement of Recommended Practice issued in 2005 (SORP 2005) and comply with the Charity's trust deed. The report of the auditors is given on page 8 and the principal accounting policies adopted by the Charity are set out on pages 9 and 10.

#### **Reference and Administrative Details of the Charity, its Trustees and Advisers**

**New College Development Fund** ("the Development Fund") was constituted by deed of trust on 12 September 1989 and is registered as a charity by the Charity Commission under the Charities Act 1993 (charity registration number 900202). On 31 July 1997, the administration of the Development Fund and of the 1979 New College Appeal and General Fund ("the 1979 Fund") was unified with the approval of the Charity Commission.

The contact details for the Charity are: Development Office, New College, Oxford OX1 3BN  
Telephone: 01865 279509; Email: oldmembers@new.ox.ac.uk

#### **Trustees:**

The Trustees serving were:

Sir David Davies (Chairman) – retired 31 July 2016  
Delia Coggan  
William Eason – retired 31 July 2016  
Jane French  
Sir Peter Roth – retired 31 July 2016  
Mark Batten – retired 31 July 2016  
Lord Aldington – retired 31 July 2016  
David Palfreyman (Bursar of New College) – retired 31 July 2016  
Sir Curtis Price (Warden of New College) – retired 31 July 2016  
New College – elected from 1 August 2016

#### **Auditors:**

Critchleys LLP  
Paradise Square  
Oxford OX1 1BE

#### **Bankers:**

National Westminster Bank  
121 High Street  
Oxford OX1 4DD

#### **Investment Managers:**

Troy Asset Management  
Brookfield House  
44 Davies Street  
London W1K 5JA

#### **Legal Advisors:**

Stone King LLP  
Boundary House  
91 Charterhouse Street  
London EC1M 6HR

## **Structure, Governance and Management**

The Charity is incorporated as a Trust. The governance of the Charity is the responsibility of the Trustees. Under the terms of the Trust Deed, there shall be at least five and no more than nine Trustees, of whom two are *ex officio*, the Bursar and Warden of New College for the time being. The remaining Trustees are to be selected by the existing Trustees from among the Old Members of the College. Their term of service is for an initial five years, with the possibility of seeking election for a second five year term. The Trustees of the Charity receive no formal training, although new Trustees are provided with an induction pack containing information both about the charity and their duties as a charity trustee; some of them are trustees of several charities besides this.

The Trustees meet formally twice a year to consider requests for assistance, but maintain regular contact throughout the year. An Investment Sub-Committee meets regularly with the Charity's investment managers, generally three times a year. A Nominations Sub-Committee provides general oversight concerning matters pertaining to the structure, composition and effectiveness of the Development Fund's Board of Trustees and its Committees. The nature of the Charity's objects is such that the Trustees are required to be and always are fully-informed about the College's needs, and receive properly costed requests; the establishment of priorities for assistance is a matter for the Trustees' decision within the limits of discretion permitted by the trusts that established many of the specific funds within the Development Fund. No decisions about charitable expenditure are devolved to anyone or any body, although the Sporting & Cultural Awards committee acts on behalf of the Trustees to determine individual small awards to students based on a fixed sum agreed by Trustees.

The Trust Deed was amended by a Deed of Confirmation dated 1 August 2016 so that the Trustee body should consist of New College and two individuals appointed by New College from time to time.

### **The Trustees' responsibilities**

The Trustees prepare for each year financial statements which give a true and fair view of the state of affairs of the Charity and of the results for the year. In preparing the financial statements the Trustees have:

- selected suitable accounting policies and applied them consistently;
- made judgments and estimates that are reasonable and prudent;
- followed applicable accounting standards without material departures; and
- prepared the financial statements on the going-concern basis.

The Trustees are responsible for ensuring that appropriate systems of control, both financial and other, exist. They are responsible for keeping proper accounting records that accurately disclose the financial position of the Charity at all times, and enable the Trustees to ensure that the financial statements comply with accounting standards and requirements. The Trustees are responsible for safeguarding the assets of the Charity and therefore for taking all reasonable steps to prevent or detect fraud or other irregularities, and for assuring themselves that:

- the organisation is operating efficiently and effectively;
- its assets are safeguarded against unauthorised use or disposal;
- proper records are maintained;
- financial information used internally or for publication is reliable; and
- relevant laws and regulations are complied with.

The systems of internal control, including risk assessment and management, are designed to provide as much reassurance as possible against material misstatement or loss.

### **Risk management**

The Trustees have approved a risk management policy to assess business risk and implement best practice in risk management, and have concluded that adequate systems are in place to manage these risks. When it is not possible to address risk issues internally, the Trustees take advice from experts external to the Development Fund. Investment risks are monitored by the Investment Sub-Committee; all other risks are monitored by the Board of Trustees.

Processes to manage risks include:

- identifying the risks in each activity and attributing responsibility
- prioritising risks according to their likelihood and impact
- determining acceptable levels of risk
- adopting appropriate measures to reduce risk to a minimum; and
- monitoring the management of risk.

The risk register is reviewed and approved annually by the Trustees. There are no risks peculiar to this Charity, whether from the side of investment policy, which is intended to maintain the real value of the Charity's assets and its ability to pursue its objects in perpetuity, or from the side of its primary beneficiary, which is itself an educational charity.

The principal risks facing the Development Fund are:

Risk	Measures
Information security; loss of donor data	Staff training both by College and University of Oxford database team, New College firewall, monitored by New College's IT Sub-Committee
Misallocation of donations and legacies	Monitoring by Development Director and Accountant; review by Board of Trustees
Fall in investment value	Monitoring by Investment Sub-Committee; diversification of investments

## Objects and Activities

The Development Fund exists in the first instance to support the activities of New College, Oxford, and beyond that to support such wider activities in the sphere of higher education and research as the Trustees may decide. The Development Fund is connected to, but independent of, the College and under all conditions has a majority of Trustees who are not employees of the College.

New College is an educational charity established in 1379 for the promotion of religion and learning, and with the intention that most of its graduates would enter the service of church and state. Today, its Objects are the advancement of education, learning and research, and the advancement of religion, in that the College is a choral college in accordance with the Founder's intentions and hence it sustains a Choir and a Choir School.

In support of these Objects, the Development Fund has three core aims:

- to provide support for undergraduate and graduate students, thereby ensuring that the College can attract the most able students irrespective of their financial means
- to provide funding for academic posts to advance teaching and research at the College
- to help maintain the historic fabric of the College and provide new facilities.

It achieves these aims through annual appeals to Old Members and friends of the College by mail and telephone, by building relationships with individuals and foundations who have the potential to make major donations, and by encouraging Old Members and friends to include a legacy to the Charity in their Wills.

## **Achievements and Performance**

### Supporting Students

The Development Fund recognises the increasing financial pressures on students and the importance of ensuring that no student should be prevented from applying to or remaining at New College because of financial concerns. In light of this, the Trustees agreed to increase the amount available from the Student Support Fund, from £30,000 in the previous year to £40,000. 41 awards totalling £38,500 were made from the Fund, based on individual students' financial circumstances (2015: 37 awards totalling £29,700).

Support for the provision of bursaries for undergraduates studying at the College remains a priority, helping to ensure that those from the poorest families are not prevented from studying at New College for financial reasons. £46k was provided by the Development Fund in support of bursaries for students at New College.

Graduate students represent 39% of the student body and are a vital part of the academic mix in the College. The provision of scholarships to attract the most able graduate students is a priority for the University of Oxford as a whole and the Development Fund increased its provision of graduate scholarships to £279k during the year (2015: £270k). A generous bequest of US\$2m was received in the year from the American Friends of New College, thanks to a bequest from Old Member Richard Urowsky, as an endowment for graduate scholarships.

The Development Fund continues to support students who are in need of funding to enable them to participate in extracurricular sporting and cultural enterprises. During the year £22k was awarded to 185 students for activities involving sports, music, drama and travel (2015: £21k provided to 161 students). Applications for these awards are considered termly by a Committee consisting of three Old Members and the MCR and JCR Presidents and currently chaired by Old Member Emily Rudgard. A further £8k was distributed to students involved in University team sports.

The total amount provided for student support in the year increased to £482k (2015: £439k).

### Academic posts

The Tutorial system is at the heart of New College's undergraduate teaching and the Development Fund continues to seek support to help underpin the costs of Tutorial Fellowships. During the year two gifts of £300k each were received for the endowment of a Fellowship in Chemistry. Additional donations were received towards Fellowships in Law, French, History and Ancient History. During the year, a total of £764k was raised for Fellowship endowments (2015: 638k) and the Charity was able to increase its spending on Tutorial Fellowships to £310k (2015: £242k).

The provision of funding for Junior Research Fellowships (JRFs) remains a cornerstone of the Charity's support to the College. These posts bridge the gap between being awarded a PhD and getting a first, formal post and are crucial in terms of keeping young people in academic life and in enlivening the College academic community. The total amount expended by the Charity in the year on JRFs was £265k (2015: £251k).

### Maintenance and Development of Buildings and Facilities

Plans for the New Campus at Savile Road progressed during the year, with a view to a planning application being submitted in late 2017. The scheme was further developed during the year to include a new student hub, consisting of both a communal work space and a leisure/arts space. A first instalment of £2.5m from a £15m pledge reported last year was received during the year and further gifts will be sought, particularly for the two new spaces once designs have been developed.

The new Music Practice Building project continued apace with planning permission granted during the year, the site fully cleared and piling work initiated. A total of £800k was received towards the project in the year, including a donation of £25k for the purchase of a grand piano for the building. At the

request of New College, the Trustees also agree to direct a £800k legacy received during the year towards the project.

### Choir and Choir School

The Charity is also mindful of the College's Object to sustain a Choir and a Choir School, which is not underpinned by any public funding. New College Choir is one of Oxford's three world-class choirs and is an important part of our National Heritage. The Charity provided a total of £15k (2015: £8k) in support of the New College Choir and Music at the College during the year.

### General Fundraising

The Charity scrutinises the fund-raising activities of the College with great care, along with the costs of generating voluntary income. The costs of generating voluntary income increased during the year to £441k (2015: £400k) due partly to cover provided for a staff member on long-term absence. Trustees are pleased to note that these costs represent 6% of voluntary income.

A core activity of the Charity is to encourage a wide range of Old Members of the College to donate on a regular and ongoing basis. The Charity sent out an annual fundraising mailing to all Old Members during the year and ran another telephone campaign in March 2016, conducted by a team of New College students, which resulted in an amount of £201k being pledged to the Charity (2015: £200k). There was a small decrease in the number of donors through the telephone campaign (315 compared to 325 the previous year), but with a pleasing increase in the average pledge from £615 to £645.

During the year, the Development Fund continued its efforts to encourage Old Members and friends to include a charitable gift to the Charity in their Wills. The annual Wykeham Society lunch was held in November 2015 for those who have pledged a legacy to the Charity and was widely reported in publications to help attract new members of the Society. This annual event provides an opportunity to thank this important group of future benefactors and to let them hear about the College's plans. The Charity was informed of 16 new legacy pledges during the year, with a combined value of £886k, taking the total number of known pledges to 240 with a total value of £42m.

The 1379 Society, which recognises those who contribute £1,379 or more during the year, plays an important part in raising mid-level gifts and in building long term relationships with potential future major donors. The number of members rose during the year from 134 members in 2015 to 158 in 2016. Members of the Society are now invited to the same lunch as the members of the Wykeham Society to thank them for their support and to encourage their continuing generosity.

### **Public Benefit**

The Trustees believe that by putting £3,949k (2015: £1,611k) into the promotion of research and teaching, student support, and the preservation and enhancement of both tangible and intangible "heritage assets", the Charity provides a substantial public benefit. In the absence of such support, fewer students and academic posts would be funded, the long-term viability of New College's historic estate would be put at risk, and our educational and cultural richness would be reduced. The Trustees confirm that they have complied with the duty in section 17(5) of the Charities Act 2011 to have due regard to the guidance published by the Charity Commission.

### **Financial Review**

The Charity adopted FRS 102 for 2015-16, and has prepared comparative numbers for 2014-15 on the same basis.

The financial year saw net income before gains of £3.1m (2015: £1.0m). This, combined with investment gains of £1.6m (2015: £1.3m), provided overall net income of £4.7m (2015: £2.2m).

Total funds of the Charity now stand at £26.5m and are allocated, in rounded sums, as to:

- £16.0m by way of endowment fund

- £6.6m restricted income
- £3.9m unrestricted income

as set out in Notes 10 to 12 of the accounts. (The classification of funds between the three categories listed above is in turn set out in the Statement of Accounts Policies on page 10 of the accounts.)

## Income

The Charity's income rose by £4.5m from £3.0m in 2015 to £7.5m in 2016. Donations and legacies continue to be, by far, the biggest source of income, accounting for 96% of the Charity's overall income (2015: 91%).

Donations of some £2.1m were received for endowments (2015: £0.9m), of which £2.0m was for two new endowments to establish a Chemistry Fellowship Fund and a Graduate Scholarships Fund.

Donations of some £3.5m received for donor-restricted purposes (2015: £1.0m) included £0.6m for the College's Music Practice Rooms building (2015: £0.5m) and £2.5m for the proposed creation of the New Campus at the College's Savile Road site (2015: nil).

## Expenditure

Total expenditure more than doubled in the year to £4.4m (2015: £2.0m).

Increased expenditure on charitable activities was primarily driven by donations to New College in support of its two major building projects, being £0.8m for the Music Practice Rooms building (2015: £0.3m) and £1.5m towards the design and pre-planning approval costs of the New Campus at Savile Road (2015: nil).

## Investment Policy and Performance

The investment policies of the Charity are conventional. By managing its investments on a total return basis, maintaining diversification across a range of asset classes as it seeks to maximise resources over time, with an appropriate balance between caution and the search for capital growth. The investment policy is set by the Trustees as advised by the Investment Sub-Committee. The performance of the Charity's investment managers is constantly kept under review by the Investment Sub-Committee.

As at 31 July 2016 the Charity's investments were held as to 46% with Troy Asset Management Ltd and the remainder spread across nine equity based investment funds, two being emerging market funds, six small/mid cap funds and one property fund.

During the year the market value of the Charity's investments increased by 6% from £21.2m to £22.5m, of which £1.6m represented investment gains and £-0.3m represented net investment sales. This follows the 9% increase achieved last year, and 26% the year before.

## Ethical Investment Policy

The Trustees have debated the issues involved in underpinning their investment policy with a specifically ethical stance. In light of the broad charitable objects of the Charity, they concluded it would be difficult to isolate any particular sector or company whose activities were demonstrably at odds with the objectives of the Charity, without excluding many companies whose activities, taken in the round, are broadly positive for the community. They are, however, mindful of the reputational risks of investment in companies whose activities are too blatantly at odds with the educational, cultural, heritage and research goals of New College. Their policy on ethical investment is therefore to avoid limiting the return to the Charity by excluding any particular area of investment but periodically to review the Charity's portfolio and if they decide that any specific investment should be excluded on ethical grounds to instruct the fund managers accordingly.

## **Reserves policy**

The Statement of Financial Activities and the Balance Sheet, together with Notes (pp 14-20 to the Accounts) show the various funds and reserves by type and also summarise for each of them the year's movement and the assets and liabilities attributable to them.

At the year-end, income funds freely available for the Charity's general purposes amounted to £568k (see Note 12 on p19 The General Fund). These reserves are held to support future fundraising and administrative costs, and to enable expenditure on smaller charitable projects to be incurred as soon as the need is approved.

## **Plans for the Future**

The Trustees agreed with the Governing Body of New College the transfer on 1 August 2016 of the entire assets of the Development Fund (including the New College Appeal Fund and the New College General Fund) to New College. Existing restrictions on the use of those funds are assumed by New College as the new corporate trustee, and the assets are being added to New College's existing endowment and restricted fund investments. One of the Development Fund's Trustees has joined New College's Endowment Committee and two Trustees have joined New College's Development Committee. As a part of this transfer, New College also takes on responsibility for fundraising and its related costs, including the costs of the Development Office staff, who are employed by New College, and all new donations will be received by New College.

The Development Fund will continue to receive donations made under existing standing order and direct debit commitments. The Development Fund will also continue to receive any legacies left to it, to the New College Appeal Fund, or to the New College General Fund.

Signed on behalf of the Trustees

Mark Curtis  
Trustee of New College

30 May 2017



## **NEW COLLEGE DEVELOPMENT FUND**

### **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NEW COLLEGE DEVELOPMENT FUND**

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We have audited the financial statements of the New College Development Fund for the year ended 31 July 2016 which comprise the Statement of Accounting Policies, the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes numbered 1 to 17.

This report is made solely to the Trustees, as a 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 Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of Trustees and auditor**

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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

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

We read all the information in the Report of the Trustees 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 charity's affairs as at 31 July 2016 and of the it'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 Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept by the 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  
31 May 2017

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

## **NEW COLLEGE DEVELOPMENT FUND**

### **STATEMENT OF ACCOUNTING POLICIES**

**Year ended 31 July 2016**

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#### **Scope of the Financial Statements**

The Financial Statements present the Statement of Financial Activities (SOFA), the Balance Sheet and the Cash-Flow Statement of Cash Flows of the Charity, as permitted by paragraph 397 of the Charities SORP 2005.

#### **Basis of accounting**

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

The Charity 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 of how the transition to FRS 102 has affected the reported financial position and financial performance is provided in note 17.

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.

#### **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.

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

#### **Income recognition**

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

Donations, legacies, and other forms of voluntary incoming resources are accounted for when received by the Charity. Grants given for specific projects are dealt with in accordance with the terms of the grant.

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.

Other income is accounted for on an accruals basis as far as it is prudent to do so. Income includes income tax recoverable thereon.

#### **Expenditure**

Expenditure is accounted for on an accruals basis. A liability and related expenditure is recognised when a legal or constructive obligation commits the Charity 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 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). These costs are all charged to the general fund.

Support costs, which include governance costs (costs of complying with constitutional and statutory requirements) and any 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.

Investment management costs are allocated to specific funds in proportion to their relative size.

#### **Classification of funds**

Certain funds donated for the objects of the Charity are subject to specific trusts declared either by the donor or by the terms of a public appeal. Of such funds, those which have been given subject to the condition that the capital cannot be applied as income for the purposes for which the funds were given are classified as permanent endowment funds. The rest of such funds are classified as restricted income funds.

The other funds are classified as unrestricted income funds. Included within unrestricted funds are those designated for a particular purpose but which are not subject to a legally binding restriction.

#### **Taxation**

As a registered charity, the Charity is generally exempt from income tax, but not from VAT. Irrecoverable VAT is included in the cost of those items to which it relates.

#### **Foreign currency**

Transactions and balances denominated in foreign currencies are translated into Sterling at the exchange rates prevailing at the accounting year end.

#### **Investments**

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.

Other unquoted investments are valued using primary valuation techniques such as earnings multiples, recent transactions and net assets where reliable estimates can be made – otherwise at cost less any impairment.

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 funds holding or disposing of the relevant investment.

#### **Other financial instruments**

- **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.
- **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 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.

#### **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.

## NEW COLLEGE DEVELOPMENT FUND

### STATEMENT OF FINANCIAL ACTIVITIES

Year ended 31 July 2016

	Notes	Permanent endowment funds £	Restricted income funds £	Unrestricted income funds £	<b>Total 2016 £</b>	Total 2015 £
<b>Income and endowments from:</b>						
<b>Donations and legacies</b>	1	2,141,372	3,492,618	1,578,742	<b>7,212,732</b>	2,723,062
<b>Other trading income</b>		-	-	15,976	<b>15,976</b>	17,207
<b>Investments</b>						
Investment income	2	164,477	66,723	42,147	<b>273,347</b>	247,184
<b>Total income</b>		<b>2,305,849</b>	<b>3,559,341</b>	<b>1,636,865</b>	<b>7,502,055</b>	2,987,453
<b>Expenditure on:</b>						
	3 to 6					
<b>Charitable activities</b>		-	3,074,972	897,241	<b>3,972,213</b>	1,613,216
<b>Generating funds</b>						
Fundraising		-	-	440,984	<b>440,984</b>	409,589
Trading expenditure		-	-	11,431	<b>11,431</b>	9,406
Investment management costs		77	31	19	<b>127</b>	105
<b>Total expenditure</b>		<b>77</b>	<b>3,075,003</b>	<b>1,349,675</b>	<b>4,424,755</b>	2,032,316
<b>Net Income before gains</b>		<b>2,305,772</b>	<b>484,338</b>	<b>287,190</b>	<b>3,077,300</b>	955,137
Net gains on investments		962,473	387,512	246,644	<b>1,596,629</b>	1,265,364
<b>Net Income</b>		<b>3,268,245</b>	<b>871,850</b>	<b>533,834</b>	<b>4,673,929</b>	2,220,501
<b>Transfers between funds</b>	10	(464,187)	464,187	-	-	-
Fund balances brought forward	10 to 12	13,155,877	5,302,359	3,371,362	<b>21,829,598</b>	19,609,097
<b>Funds carried forward at 31 July</b>		<b>15,959,935</b>	<b>6,638,396</b>	<b>3,905,196</b>	<b>26,503,527</b>	21,829,598

The notes on pages 14 to 20 form part of these financial statements.

## NEW COLLEGE DEVELOPMENT FUND

### BALANCE SHEET

As at 31 July 2016

	Notes	2016		2015	
		£	£	£	£
<b>Fixed assets</b>					
Investments	7		22,510,058		21,173,867
<b>Current assets</b>					
Stocks		9,499		11,276	
Taxes recoverable		100,509		39,765	
Debtors and accrued income		71,273		62,145	
Deposit accounts		5,669,207		623,069	
Cash at bank		10,409		10,383	
<b>Total current assets</b>		<u>5,860,897</u>		<u>746,638</u>	
<b>Creditors: amounts falling due within one year</b>					
Due to New College		1,850,092		80,828	
Accrued expenses		17,336		10,079	
		<u>1,867,428</u>		<u>90,907</u>	
<b>Net current assets</b>			3,993,469		655,731
<b>Total net assets</b>	13		<u><b>26,503,527</b></u>		<u><b>21,829,598</b></u>
<b>Funds of the charity:</b>					
Endowment funds	10		15,959,935		13,155,877
Restricted funds	11		6,638,396		5,302,359
Unrestricted funds	12		3,905,196		3,371,362
<b>Total Funds</b>	13		<u><b>26,503,527</b></u>		<u><b>21,829,598</b></u>

The notes on pages 14 to 20 form part of these financial statements.

*Approved by the Board of Trustees on 30 May 2017 and signed on its behalf by*

Mark Curtis  
Trustee of New College

**NEW COLLEGE DEVELOPMENT FUND**

**STATEMENT OF CASH FLOWS**  
Year ended 31 July 2016

		2016	2015
	Notes	£	£
<b>Net cash used in operating activities</b>	15	<u>2,371,007</u>	<u>(232,268)</u>
<b>Cash flows from investing activities</b>			
Dividends, interest and rents from investments		273,347	247,184
Proceeds from sale of investments		1,379,517	-
Purchase of investments		(1,119,079)	(557,089)
<b>Net cash provided by investing activities</b>		<u>533,785</u>	<u>(309,905)</u>
<b>Cash flows from financing activities</b>			
Receipt of endowments		2,141,372	888,743
<b>Net cash provided by financing activities</b>		<u>2,141,372</u>	<u>888,743</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>5,046,164</u>	<u>346,570</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		633,452	286,882
<b>Cash and cash equivalents at the end of the reporting period</b>	16	<u>5,679,616</u>	<u>633,452</u>

## NEW COLLEGE DEVELOPMENT FUND

### NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2016

	2016 £	2015 £
<b>1 Donations &amp; Legacies</b>		
Endowed funds	2,141,372	888,743
Restricted funds	3,492,618	1,034,692
Unrestricted funds	1,578,742	799,627
	<u>7,212,732</u>	<u>2,723,062</u>
<b>2 Investment income</b>		
Endowment funds		
Equity dividends	163,484	147,463
Bank interest	993	629
	<u>164,477</u>	<u>148,092</u>
Restricted funds		
Equity dividends	66,320	58,427
Bank interest	403	251
	<u>66,723</u>	<u>58,678</u>
Unrestricted funds		
Equity dividends	41,897	40,242
Bank interest	250	172
	<u>42,147</u>	<u>40,414</u>
Total investment income	<u>273,347</u>	<u>247,184</u>
<b>3 Analysis of expenditure</b>		
<b>Charitable expenditure</b>		
Direct staff costs: none	-	-
Other direct costs allocated to:		
Donations to support activities of New College:		
Fellowships	575,301	491,822
Academic research	-	900
Major building projects	2,741,481	626,739
Other building & facilities refurbishment and maintenance	107,366	25,614
Student support	315,368	328,172
Music and choir	15,365	7,964
Library	16,755	11,855
Other	3,884	-
	<u>3,775,520</u>	<u>1,493,066</u>
Other donations in support of higher education:		
Academic research	-	1,221
Student scholarships/awards	166,298	111,070
Chalet Trust appeal	6,925	5,219
	<u>173,223</u>	<u>117,510</u>
Support and governance costs allocated to:		
Donations to support activities of New College	23,470	2,640
Other donations in support of higher education	-	-
	<u>23,470</u>	<u>2,640</u>
<b>Total charitable expenditure</b>	<u>3,972,213</u>	<u>1,613,216</u>

## NEW COLLEGE DEVELOPMENT FUND

### NOTES TO THE FINANCIAL STATEMENTS Year ended 31 July 2016

	2016 £	2015 £
<b>3 Analysis of expenditure (continued)</b>		
<b>Expenditure on generating funds</b>		
Direct staff costs allocated to:		
Fundraising	306,547	273,695
Trading expenditure	-	-
	<u>306,547</u>	<u>273,695</u>
Other direct costs allocated to:		
Fundraising	134,437	135,894
Trading expenditure	11,431	9,406
Investment management costs	127	105
	<u>145,995</u>	<u>145,405</u>
Support and governance costs: none	-	-
<b>Total expenditure on raising funds</b>	<u>452,542</u>	<u>419,100</u>
<b>Total expenditure</b>	<u>4,424,755</u>	<u>2,032,316</u>

The 2015 resources expended of £ 2,032,316 represented £65 from endowed funds, £1,127,194 from restricted funds, and £905,057 from unrestricted funds.

	2016		
	Generating funds £	Support of New College £	Other support to higher education £
Governance	-	23,470	-
	<u>23,470</u>		
	2015		
	Generating funds £	Support of New College £	Other support to higher education £
Governance	-	2,640	-
	<u>2,640</u>		
		2016 £	2015 £
Governance costs comprise:			
Audit remuneration - audit services		2,980	2,640
Legal advice		20,490	-
		<u>23,470</u>	<u>2,640</u>

Legal advice was in relation to the transfer of the Charity's entire net assets to New College on 1 August 2016.



## NEW COLLEGE DEVELOPMENT FUND

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 July 2016

	2016 £	2015 £
<b>5 Staff and costs</b>		
Direct staff costs (New College employee costs recharged to Charity):		
Wages and salaries	242,566	218,416
Social security costs	24,386	20,680
Pension costs	39,595	34,599
	<u>306,547</u>	<u>273,695</u>
<p>Trustees agreed to bear the entire costs of the Development Office from 2011-12, rather than have part of those costs met by New College. As a consequence of this, the Charity funds five full-time equivalent persons employed by New College, primarily for publicity and fundraising.</p>		
<b>6 Payments to Trustees</b>		
<p>No Trustee was in receipt of payment for services rendered to the Charity during the financial year, nor were any expenses reimbursed.</p>		
<b>7 Fixed assets investments</b>	2016	2015
All assets are held at fair value.	£	£
Investments		
Valuation at start of year	21,173,867	19,351,414
Additions at cost	1,110,540	536,317
Disposals at market value	(1,379,517)	-
Increase in value of investments	1,596,629	1,265,364
Increase in cash held by fund managers	8,539	20,772
	<u>22,510,058</u>	<u>21,173,867</u>
Investments at end of year	<u>22,510,058</u>	<u>21,173,867</u>
Historical cost at end of year	<u>16,711,636</u>	<u>16,990,893</u>
Investments comprise:		
Equity investments	11,017,719	11,931,954
Mixed asset funds	10,026,253	7,774,887
Property funds	1,412,302	1,421,781
Cash deposits	53,784	45,245
	<u>22,510,058</u>	<u>21,173,867</u>
<b>8 Connected charity and post-Balance Sheet events</b>		
<p>New College, University of Oxford, is a "connected charity" having common objects and a shared administrative base. During the year New College was in receipt of donations from the Charity amounting to £3,775,520 (2015: £1,493,066), as detailed in note 3.</p> <p>The Trustees agreed with New College the transfer on 1 August 2016 of its entire net assets to New College. The Charity's operating activities are provided by the College's Development Office; these activities are taken on by the College from 1 August. Donations intended for the benefit of the College will, from 1 August, be received directly into the College and not through the Charity, other than for those made by existing standing order and direct debit instructions (the transfer of these being in phases).</p>		
<b>9 Capital commitments</b>		
<p>There were no capital commitments at 31 July 2016.</p>		

**NEW COLLEGE DEVELOPMENT FUND**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

Year ended 31 July 2016

**10 Endowment funds**

							Related income funds (included in Restricted Income Funds summary on page 17)					
	At 1 August	Incoming	Net Investment	Transfers	At 31 July	At 1 August	Net Investment	Expenditure	Transfers	At 31 July		
	£	donations	investment	*	£	£	investment	£	£	£		
	£	income	gains			income	gains					
	£	£	£	£	£	£	£	£	£	£		
<b>Permanent endowments</b>												
Andrews Fund	6,957	32	87	509	(245)	7,340	2,191	27	160	-	245	2,623
Astor Junior Research Fellowship	486,549		6,080	35,595	(17,167)	511,057	-	-	-	(17,167)	17,167	-
Baring Bursaries	21,298		266	1,558	(751)	22,371	3,488	44	255	-	751	4,538
Carmichael Fund	20,416		255	1,494	(720)	21,445	2,133	27	156	-	720	3,036
Chemistry Fellowship		600,000	-	-	-	600,000	-	-	-	-	-	-
Classical Philosophy Fellowship	1,132,720	1,875	14,155	82,869	(39,967)	1,191,652	-	-	-	(39,967)	39,967	-
Earl Chorister Scholarships	238,528		2,981	17,450	(8,416)	250,543	16,295	204	1,192	-	8,416	26,107
Choristerships	260,530		3,256	19,060	(9,192)	273,654	8,752	109	640	(3,604)	9,192	15,089
Engineering Fellowship	1,020,999		12,759	74,695	(36,025)	1,072,428	-	-	-	(36,025)	36,025	-
Graduate Scholarships Fund		1,381,788	-	-	-	1,381,788	-	-	-	-	-	-
Hardy Junior Research Fellowship	307,071		3,837	22,465	(10,835)	322,538	16,800	210	1,229	-	10,835	29,074
Hedley-Broadfield Fund	375,032		4,687	27,437	(13,233)	393,923	14,151	177	1,035	(13,233)	13,233	15,363
Humanities Fellowship - Ancient History	1,126,842	144,926	14,081	82,439	(39,759)	1,328,529	-	-	-	(39,759)	39,759	-
Humanities Fellowship - Mod Langs	335,660	2,488	4,195	24,557	(11,843)	355,057	25,598	320	1,873	(39,634)	11,843	-
Lionel Grigson Memorial Prize Fund **	3,000	3,000	37	219	(106)	6,150	-	-	-	-	106	106
McGregor Law Fellowship	939,845	4,550	11,745	68,758	(33,161)	991,737	-	-	-	(33,161)	33,161	-
Millman Mgmt Studies Fellowship	1,568,853		19,605	114,776	(55,355)	1,647,879	7,566	95	554	(43,416)	55,355	20,154
Millman Mgmt Studies Studentship	850,845		10,632	62,247	(30,021)	893,703	28,581	357	2,091	(16,905)	30,021	44,145
Nicholas Fund	1,007,157		12,586	73,683	(35,536)	1,057,890	19,749	247	1,445	(28,594)	35,536	28,383
Nicoll Bursaries	8,116		101	594	(286)	8,525	-	-	-	(286)	286	-
Politics Fellowship	26,197	144	327	1,917	(924)	27,661	-	-	-	(924)	924	-
Reynolds Fund	706,915		8,834	51,717	(24,943)	742,523	101,824	1,272	7,449	(7,753)	24,943	127,735
Roche International Law Fellowship	156,523		1,956	11,451	(5,523)	164,407	42,992	537	3,145	(5,000)	5,523	47,197
Lord Rodger Law Bursary	351,252	1,250	439	2,570	(1,239)	38,145	3,580	45	262	-	1,239	5,126
Student Hardship Bursaries	998,136	500	12,473	73,023	(35,218)	1,048,914	-	-	-	(35,218)	35,218	-
Tang Lectureship	492,976		6,160	36,066	(17,394)	517,808	-	-	-	(17,394)	17,394	-
Weston Junior Research Fellowship	755,666		9,443	55,284	(26,663)	793,730	1,730	22	127	(26,717)	26,663	1,825
Williams Fellowship - History	273,921	819	3,423	20,040	(9,665)	288,538	-	-	-	(9,665)	9,665	-
	<b>13,155,877</b>	<b>2,141,372</b>	<b>164,400</b>	<b>962,473</b>	<b>(464,187)</b>	<b>15,959,935</b>	<b>295,430</b>	<b>3,693</b>	<b>21,613</b>	<b>(414,422)</b>	<b>464,187</b>	<b>370,501</b>

\* Transfers represent a 3.25% drawdown of opening fund balances plus return in the year

\*\* £3000 received in 2014-15 was previously reported as a restricted gift. This has now been reclassified as an endowment. The opening balance has been adjusted accordingly.

**NEW COLLEGE DEVELOPMENT FUND**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

Year ended 31 July 2016

**11 Restricted income funds**

18

	At 1 August	Incoming donations	Net investment income	Investment gains	Expenditure	Transfers	At 31 July
	£	£	£	£	£	£	£
Ante-Chapel piano	-	10,000	-	-	(10,000)	-	-
Aso Group Scholarship Fund	184,633		2,307	13,508	(25,000)		175,448
Barney Scholarship Fund	300,594		3,756	21,991	(10,606)		315,735
Blackwell Boat Club Fund	129,764		1,622	9,493	(24,855)		116,024
Burden-Griffiths Award	8,439	975	105	617	(840)		9,296
Chorister Bursaries	289,069	1,500	3,612	21,148	(7,673)		307,656
Colegate Prize	15,715		196	1,150	(500)		16,561
Cox Chalet Fund	5,500	6,925	500	-	(7,425)		5,500
Cox Junior Research Fellowship	-	925	-	-	(925)		-
Ellmann Fellowship	295,511		3,693	21,619	(10,427)		310,396
Emmerson Senior Common Room Fund	166,970		2,087	12,215	(9,952)		171,320
Fairbairn Junior Research Fellowship	556,213		6,951	40,692	(19,625)		584,231
Hamilton Memorial Fund	26,567		332	1,944	-		28,843
Harlech Trust	148,826		1,860	10,888	(49,350)		112,224
Instrumental awards	3,376		42	247	-		3,665
Lionel Grigson Memorial Prize	623	700	8	46	(600)		777
Manning Junior Research Fellowship	185,261		2,315	13,554	(706)		200,424
Matthews Junior Research Fellowship	507,325		6,340	37,115	(17,900)		532,880
Music Practice Rooms	217,666	600,284	2,720	15,924	(836,594)		-
Music Practice Room pianos/facilities		35,000	-	-	(35,000)		-
New Campus: Gradel Quad		2,500,000	-	-	(1,536,643)		963,357
Norman Fund - School	-	334,249	-	-	(11,842)		322,407
Tony Nuttall Memorial Fund	37,715	1,453	471	2,759	(953)		41,445
Rank Junior Research Fellowship	608,811		7,608	44,540	(2,319)		658,640
Nick Roth Memorial Fund	9,320		116	682	(500)		9,618
Salvesen Junior Research Fellowship	359,835		4,497	26,325	(12,696)		377,961
Simonyi Lecture Fund	1,196		15	87	-		1,298
Spooner Junior Research Fellowship	132,441		1,655	9,689	(4,673)		139,112
Student Support - Outreach	67,473	432	843	4,936	-		73,684
Thomas Fund	98,044		1,225	7,173	(648)		105,794
Todd-Bird Junior Research Fellowship	631,951		7,897	46,233	(22,298)		663,783
Undergraduate Needs Fund		175	-	-	-		175
David Wiggins Scholarship	16,618		208	1,216	-		18,042
William of Wykeham statue	1,473		18	108	-		1,599
Endowment income funds (see page 16)	295,430		3,693	21,613	(414,422)	464,187	370,501
	<b>5,302,359</b>	<b>3,492,618</b>	<b>66,692</b>	<b>387,512</b>	<b>(3,074,972)</b>	<b>464,187</b>	<b>6,638,396</b>

\*\* £3,000 received in 2014-15 was previously reported as a restricted gift. This has now been reclassified as an endowment. The opening balance has been adjusted accordingly.

**NEW COLLEGE DEVELOPMENT FUND**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

Year ended 31 July 2016

**12 Unrestricted income funds**

	At 1 August	Incoming donations	Net investment income	Investment gains	Expenditure	Other expenditure *	At 31 July
	£	£	£	£	£	£	£
<b>Designated funds</b>							
Charlton Classics Fellowship	788,680	31	9,856	57,699	(40,000)		816,266
Choir and Music Funds	42,686	8,909	533	3,123	(4,088)	-	51,163
Fabric Fund	35,823	401	448	2,621	(8,232)		31,061
Fellowships Fund	170,210	9,106	2,127	12,452			193,895
Fradd Academic Research Fund	8,895		111	651			9,657
Graduate Scholarship Funds	96,077	126,682	1,201	7,029	(120,065)	-	110,924
Library Fund	-	6,755			(6,755)		-
Millman Graduate Scholarships Fund	30,256		378	2,213			32,847
New College Boat Club	-	10,983			(10,983)		-
Oxfordshire Schools Access Fund	544,955		6,810	39,868	(10,050)		581,583
Peter Campbell Politics Research Fund	422,958		5,285	30,943			459,186
Shawyer Hardship Fund	92,429		1,155	6,762	(5,017)		95,329
Stained Glass Restoration Fund	684		9	50			743
Student Chinese Exchanges Grants Fund	464,597	41,250	5,806	33,989	(8,300)		537,342
Student Hardship Fund	318,506	100,145	3,980	23,302	(43,460)		402,473
Undergraduate Support Fund	13,645		171	998			14,814
	-						-
<b>The General Fund</b>	340,961	1,274,480	4,258	24,944	(616,821)	(459,909)	567,913
	3,371,362	1,578,742	42,128	246,644	(873,771)	(459,909)	3,905,196

\* Net of income from activities for generating funds

## NEW COLLEGE DEVELOPMENT FUND

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 July 2016

#### 13 Analysis of net assets between funds

Fund balances at 31 July are represented by:

	Endowment funds	Restricted funds	Unrestricted funds	Total 2016
	£	£	£	£
Fixed asset investments	12,662,917	6,199,900	3,647,241	22,510,058
Current assets	3,297,018	1,614,255	949,624	5,860,897
Current liabilities	-	(1,175,759)	(691,669)	(1,867,428)
<b>Total net assets</b>	<b>15,959,935</b>	<b>6,638,396</b>	<b>3,905,196</b>	<b>26,503,527</b>
	Endowment funds	Restricted funds	Unrestricted funds	Total 2015
	£	£	£	£
Fixed asset investments	12,707,875	5,175,344	3,290,648	21,173,867
Current assets	448,002	182,600	116,036	746,638
Current liabilities	-	(55,585)	(35,322)	(90,907)
<b>Total net assets</b>	<b>13,155,877</b>	<b>5,302,359</b>	<b>3,371,362</b>	<b>21,829,598</b>

#### 14 Taxation

The Fund 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. Accordingly no provision for taxation has been included in the financial statements.

#### 15 Reconciliation of net incoming resources to net cash flow from operations

	2016 £	2015 £
<b>Net income/(expenditure)</b>	<b>4,673,929</b>	<b>2,220,501</b>
Elimination of non-operating cash flows:		
Investment income	(273,347)	(247,184)
(Gains)/losses in investments	(1,596,629)	(1,265,364)
Endowment donations	(2,141,372)	(888,743)
Decrease/(increase) in stock	1,777	(962)
(Increase)/decrease in debtors	(69,872)	117,182
Increase/(decrease) in creditors	1,776,521	(167,698)
<b>Net cash provided by (used in) operating activities</b>	<b>2,371,007</b>	<b>(232,268)</b>

#### 16 Analysis of cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	5,679,616	633,452
Notice deposits (less than 3 months)	-	-
Bank overdrafts	-	-
<b>Total cash and cash equivalents</b>	<b>5,679,616</b>	<b>633,452</b>

#### 17 Transition to FRS 102

The Fund adopted FRS 102 at 31 July 2016. The date of transition is 1 August 2014. There are no changes to previous years.