



NEW COLLEGE OXFORD

Annual Report and Financial Statements

Year ended 31 July 2016

Registered charity 1142701

NEW COLLEGE
Annual Report and Financial Statements
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Governing Body, Officers and Advisers

Year ended 31 July 2016

MEMBERS OF THE GOVERNING BODY

The Members of the Governing Body as the Warden & Fellows are the College's charity trustees under charity law. The Members of the Governing Body during the year and at the date of this Report are listed below: (* indicates from 1/10/16; the year is the year of election to a Fellowship; the College appointment is listed in italics, including as a College Officer, and then any University appointment)

Warden

- 2009 Price, Sir Curtis Alexander, KBE, BA Southern Illinois, AM PhD Harvard, MA Oxford (retired 31.08.16)
2016 *Young, Peter Miles, MA Oxford (appointed 01.09.16)

Fellows

- 1979 Ceadel, Martin Eric, MA DPhil Oxford *Tutor in Politics; Professor of Politics* (retired 30.09.15)
1984 Ratcliffe, Richard George, MA DPhil Oxford *Tutor in Biochemistry, Tutor for Graduates and Graduate Admissions; Professor of Plant Sciences*
1987 Jefferson, Ann Margaret, MA DPhil Oxford, FBA *Tutor in French; Professor of French Literature* (retired 30.09.15)
1988 Palfreyman, David, OBE, FRSA, LLB Oxford Brookes, MBA Aston, MA Oxford *Bursar*
1989 Williams, Martin Stewart, BSc PhD Bristol, MA Oxford *Tutor in Engineering; Professor of Engineering Science*
1990 Frazer, Elizabeth Joan, MA DPhil Oxford *Tutor in Politics; University Lecturer in Politics*
1990 Helm, Dieter, CBE, MA DPhil Oxford *Tutor in Economics; Professor of Energy Policy*
1990 Harris, Ruth, BA MA Pennsylvania, MA DPhil Oxford, FBA *Tutor in History; Professor of Modern History* (resigned 30.09.16)
1992 Parrott, David Anthony, MA DPhil Oxford *Tutor in History, Precentor; CUF Lecturer in History*
1993 Leeder, Karen, MA DPhil Oxford *Tutor in German, Sub-Warden (2015/2016); Professor of Modern German Literature*
1995 Griffith, Mark Stephen, MA DPhil Oxford *Richard Ellmann Fellow, Tutor in English, Senior Tutor*
1995 Burden, Michael John, BA MA Adelaide, MA Oxford, PhD Edinburgh *Tutor in Music, Dean, Chattels and Pictures Fellow; Portraits Fellow; Professor of Opera Studies*
1995 Wathen, Andrew John, MA Oxford, PhD Reading *Tutor in Mathematics; Professor of Computational Mathematics*
1996 Kelly, Catriona Helen Moncrieff, MA DPhil Oxford, FBA *Tutor in Russian; Professor of Russian*
1996 Whittington, Richard, MBA Aston, MA Oxford, PhD Manchester *Millman Tutorial Fellow in Business Studies, Tutor for Undergraduate Admissions; Professor of Strategic Management*
1996 Parker, Robert Christopher Towneley, MA DPhil Oxford, FBA *Professorial Fellow; Wykeham Professor of Ancient History* (retired 30.09.16)
1997 Thomas, Caroline Mary Angela, BA Wales, MBA Aston, MA MLitt Oxford *Home Bursar, Sub-Warden (2014/2015)*
1997 Hitchin, Nigel James, MA DPhil Oxford, FRS *Professorial Fellow; Savilian Professor of Geometry* (retired 30.09.16)
1998 Mulhall, Stephen James, MA DPhil Oxford, MA Toronto *Tutor in Philosophy, Sub-Warden (2016/2017); Professor of Philosophy*
1998 Townsend, Alain Robert Michael, MB BS PhD London, MA Oxford, FRCP, FMedSci, FRS *Professorial Fellow, Adviser to Clinical Medical Students; Professor of Molecular Immunology*
2000 Williamson, Timothy, MA Dublin, MA DPhil Oxford, FBA, FRSE *Professorial Fellow; Wykeham Professor of Logic*

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- 2001 Mash, Richard Terry Bernard, MA DPhil Oxford *Tutor in Economics*
- 2001 Hewstone, Miles, BSc Bristol, MA DPhil DSc Oxford, Habil Tübingen, FBA *Tutor in Psychology; Professor of Social Psychology*
- 2001 Kimel, Dori, BA LLB Tel Aviv, MA DPhil Oxford *Tutor in Law; Reader in Legal Philosophy*
- 2002 Gavaghan, David John, BA Durham, MA MSc DPhil Oxford *Supernumerary Fellow; Professor in Computational Biology*
- 2003 Lightfoot, Jane Lucy, MA DPhil Oxford *Charlton Fellow and Tutor in Classics, Professor in Classical Languages and Literature*
- 2003 Bañares-Alcántara, René, BSc Mexico, MA Oxford, MS PhD Carnegie Mellon *Tutor in Engineering; Reader in Engineering Science*
- 2004 Bright, Susan, BCL MA Oxford *Harvey McGregor Fellow, Tang Lecturer and Tutor in Law; Professor of Land Law*
- 2004 Halbach, Volker, MA PhD Munich, MA Oxford *Tutor in Philosophy; Professor of Philosophy*
- 2004 Poole, William Everitt, MA DPhil Oxford *John Galsworthy Fellow and Tutor in English, Fellow Librarian*
- 2004 Zorin, Andrei, MA PhD Habil Moscow, MA Oxford *Professorial Fellow; Professor of Russian*
- 2005 Pybus, Oliver, BSc Nott, MSc York, MA DPhil Oxford *Professorial Fellow and Professor of Evolution and Infectious Disease*
- 2005 Flynn, Eugene Victor, BA Otago, MA Oxford, PhD Cambridge *Tutor in Mathematics; Professor of Mathematics*
- 2005 Timmel, Christiane Renate, Dipl Chem TU Dresden, MA DPhil Oxford *Tutor in Chemistry; Professor in Inorganic Chemistry*
- 2006 Harris, Jeremy, MA Cambridge *Supernumerary Fellow; Director of Communications and Public Affairs (retired 05.04.16)*
- 2006 Slyz, Adrienne, BSc Harvard, MSc PhD Columbia, MA Oxford *Tutor in Physics; University Lecturer in Physics*
- 2007 Venables, Anthony James, CBE, BA Cambridge, MA DPhil Oxford, FBA *Professorial Fellow; BP Professor of Economics and Director of Oxcarre*
- 2007 Temple, Rosalind Ann Marie, MA MPhil Oxford, PhD Wales *Supernumerary Fellow; University Lecturer in French Linguistics*
- 2007 Sako, Mari, MA Johns Hopkins, MSc PhD London, MA Oxford *Professorial Fellow; Professor of Management Studies*
- 2008 Black, Jonathan, MA MEng Cambridge, MA Oxford *Professorial Fellow, IT Fellow; Director of the University Careers Service*
- 2008 du Sautoy, Marcus, OBE, MA DPhil Oxford, FRS *Professorial Fellow; Charles Simonyi Professor of the Public Understanding of Science, Professor of Mathematics*
- 2009 Limebeer, David Noel John, BSc Witwatersrand, MSc PhD Natal, DSc London *Professorial Fellow; Professor of Control Engineering*
- 2009 McGrady, John Ewart, MA PhD ANU *Tutor in Chemistry; Professor of Computational Inorganic Chemistry*
- 2010 Marcus, Laura, MA PhD Kent, MA Oxford, FBA *Professorial Fellow; Goldsmiths' Professor of English Literature*
- 2011 Curtis, Mark Edward, MA Oxford *Director of Development*
- 2011 Longfellow, Erica, BA Duke, DPhil Oxford *Chaplain and Dean of Divinity*
- 2012 Sullivan, Hannah, BA Cambridge, MRes London, PhD Harvard *Tutor in English; University Lecturer in English*

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Year ended 31 July 2016

- 2012 Conlon, Joseph Patrick, BSc R'dg, MA PhD Cambridge *Tutor in Physics; Royal Society University Research Fellow*
- 2012 Vedaldi, Andrea, Laurea Padua, MSc PhD UCLA *Tutor in Engineering; University Lecturer in Engineering*
- 2012 Fait, Paolo, BA PhD Florence *Anthony Quinton Fellow and Tutor in Classical Philosophy*
- 2012 Husain, Masud, BM BCh MA DPhil Oxford, FRCP (London) FMedSci *Professorial Fellow; Professor of Neurology and Cognitive Neuroscience Philosophy*
- 2012 Bateman, Chimène, BA Cambridge, PhD Yale *Career Development Fellow; Tutor in French (resigned 30.09.16)*
- 2012 Balbus, Steven Andrew, SB MIT, PhD Berkeley, FRS *Professorial Fellow; Savilian Professor of Astronomy*
- 2013 Churchill, Grant Charles, BSA MSc Saskatchewan, MA Oxford, PhD Minnesota *Tutor in Medicine; University Lecturer in Chemical Pharmacology*
- 2013 Griffin, Ashleigh Susannah BSc PhD Edinburgh *Tutor in Biological Sciences; University Lecturer in Evolutionary Biology*
- 2014 Spackman, Giles Richard Lovell, MA Oxford, MBA Harvard *Professorial Fellow and Group Finance Director OUP*
- 2014 Quinney, Robert James Henry, MA MPhil Cambridge *Tutor in Music, Organist; Associate Professor in Music*
- 2014 Meadows, Andrew Robert, MA DPhil Oxford, AM Michigan *Tutor in Ancient History; Associate Professor in Ancient History*
- 2015 Counter, Andrew Joseph, MA MPhil PhD Cambridge *Tutor in French; Associate Professor in French (appointed 01.09.15)*
- 2015 Stokes, Mark Geoffrey, BA, BSc Melbourne PhD Cambridge *Tutor in Experimental Psychology; Associate Professor in Cognitive Neuroscience (appointed 01.09.15)*
- 2016 Adams, Abigail, MA MPhil DPhil Oxford *Tutor in Economics; Associate Professor in Economics (appointed 01.06.16)*
- 2016 *Claussen, Emma Caitlin, BA Oxford, MA KCL *Career Development Fellow; Tutor in French (appointed 01.10.16)*
- 2016 *Dimelow, Stephen John, LLB Glamorgan, LLM Cambridge *Career Development Fellow; Tutor in Law (appointed 01.10.16)*

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Governing Body, Officers and Advisers

Year ended 31 July 2016

COLLEGE OFFICERS

Besides the Warden, there are certain College Officers, all of whom are also Fellows: the Sub-Warden (elected and changing annually); Bursar, Dean, Development Director, Fellow Librarian, Home Bursar, Senior Tutor, Tutor for Admissions, Tutor for Graduates, Chaplain, and Precentor. The Fellows holding such posts are listed above.

COLLEGE SENIOR STAFF

There are certain College Senior Staff: Headmaster of New College School, Accountant, Catering Manager, Clerk of Works, IT Services Director, Librarian.

COLLEGE ADVISERS:

Investment managers

LANSDOWNE: Lansdowne Partners Limited, 15 Davies Street, London, W1K 3AG

RUFFER: Ruffer LLP, 80 Victoria Street, London, SW1E 5JL

SARASIN: Sarasin & Partners LLP, Juxon House, 100 St Paul's Churchyard, London, EC4M 8BU

TOWERS WATSON: Towers Watson, 21 Tothill Street, Westminster, London, SW1H 9LL

Investment property managers

COLLIERS: Colliers International, Central London Division, 9 Marylebone Lane, London, W1U 1HL

Auditor

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

Bankers

NATIONAL WESTMINSTER: National Westminster Bank plc, 121 High Street, Oxford, OX1 4DD

Solicitors

STEPHENSON HARWOOD: Stephenson Harwood LLP, 1 Finsbury Circus, London, EC2M 7SH

COLLEGE ADDRESS & WEBSITE

New College, Holywell Street, OXFORD, OX1 3BN, UK

(01865 279500 Lodge)

www.new.ox.ac.uk

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Report of the Governing Body

Year ended 31 July 2016

The Members of the Governing Body present their Annual Report for the year ended 31 July 2016 under the Charities Act 2011, together with the audited Financial Statements for the year.

REFERENCE AND ADMINISTRATIVE INFORMATION

The College of St Mary of Winchester in Oxford, commonly called New College, is a constituent college within the University of Oxford, and is known as New College, Oxford. It is an eleemosynary lay chartered charitable corporation aggregate. It was founded by William of Wykeham, Bishop of Winchester, under a Royal Charter of Richard the Second (dated 30th June 1379) and a Deed of Foundation (dated 26th November 1379). The corporation comprises the Warden and Fellows as the Members of the Governing Body; and the foundation comprises the Warden, Fellows, and Scholars. New College is a Registered Charity (Number 1142701). The trade-name 'New College Oxford' is registered (No. 2588652). The names of all Members of the Governing Body at the date of this Report and of those who were Fellows during the year - together with list of the College Officers, of its Senior Staff, and of its Advisers - are given above.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

The College is governed by its Charter & Statutes, and the terms of the latter are ultimately enforceable by the Visitor, the Lord Bishop of Winchester. The College Statutes are as made from time to time by Order of Her Majesty in Council in accordance with the Royal Charter of 1379 and the Universities of Oxford and Cambridge Act 1923. The Statutes were extensively revised in 2005-6, and the revisions approved by the Privy Council in July 2006.

Governing Body

The Governing Body is constituted and regulated in accordance with the College Statutes, and comprises the Warden & Fellows who are a self-appointing corporate body. The Governing Body determines the ongoing strategic direction of the College and regulates its administration, and also the management of its finances and assets. It meets regularly under the chairmanship of the Warden and is advised by Committees, whose remit and membership it determines from time to time.

Recruitment and training of Members of the Governing Body

New Members of the Governing Body are elected and duly inducted into the workings of the College, including Governing Body policy and procedures. Members of the Governing Body are kept informed on current issues in the charities sector and on its regulatory requirements, as well as on the university sector, by the College Officers/Committees.

Remuneration of Members of the Governing Body and Senior College Staff

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

The remuneration of Senior Staff is set by Governing Body.

Organisational management

The Members of the Governing Body meet termly. The work of developing its policies and monitoring the implementation of these is carried out mainly by certain key Committees: Academic Strategy, Admissions, Buildings, Development, Endowment, Equality & Diversity, Finance & General Purposes, IT, Library, Remuneration, Tuition, Research & Graduates, Warden & Tutors. The Endowment Committee benefits from the presence of alumni as non-voting members; and the Remuneration Committee comprises Honorary Fellows and external members, none of whom are Members of the Governing Body.

The day-to-day running of the College is delegated to the College Officers as supported by the Senior Staff and as advised by the College Advisers, all as listed above.

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Report of the Governing Body

Year ended 31 July 2016

Group structure and relationships

The College administers a number of special trusts, as detailed in the Notes to the Financial Statements.

The College has a wholly-owned non-charitable subsidiary, Longwall Limited, which was dormant during the year.

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

The College is supported financially by the New College Development Fund (Registered Charity No. 900202), which is managed by nine trustees (seven alumni and the Warden & Bursar ex officio).

OBJECTIVES AND ACTIVITIES

Charitable Objects and Aims

The College's charitable objectives as registered with the Charity Commission are: the advancement of education, learning and research (as discussed below); 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).

The College provides, in conjunction with the University of Oxford, an education for over 700 undergraduate and graduate students. This education develops students academically and advances their leadership qualities and interpersonal skills, and so prepares them to play full and effective roles in society and within the economy. In particular, the College provides: teaching facilities and individual or small-group supervision, as well as pastoral, administrative and academic support through its tutorial and graduate mentoring systems; specialist choral musical education for its choral students, who with the New College School choristers make-up the College's Choir; and social, cultural, musical, recreational and sporting facilities – all so as to enable as far as possible its students to fulfil their academic and personal potential whilst studying at the College.

In addition, the College advances research by: providing Junior Research Fellowships to outstanding academics at the early stages of their careers, which enable them to develop and focus on their research in this formative period before they undertake the full teaching and administrative duties of an academic post; supporting research work pursued by its other Fellows through promoting interaction across disciplines, providing facilities, and providing grants for national and international conferences, research trips and research materials; encouraging visits from outstanding academics from abroad; and encouraging the dissemination of research undertaken by members of the College through the publication of papers in academic journals or other suitable means.

The College maintains an extensive Library (including important special collections), so providing a valuable resource for students and Fellows of the College, and the University of Oxford more widely, as well as external scholars and researchers.

The Governing Body has considered the Charity Commission's guidance on public benefit and in keeping with its objects, the College's contributions for the public benefit are:

- the advancement of education and learning by providing education to undergraduate and postgraduate students, the students being selected on academic merit;
- the provision of research and scholarship;
- the provision of bursaries to those students in need of financial support, and, more widely, of scholarships to support students in financial difficulty, so that all students should be able to attend the College, regardless of household income; and
- the maintenance of the English choral tradition, with the Chapel being open as a place of public worship.

ACHIEVEMENTS AND PERFORMANCE

During the 2015-16 Academic Year, the College provided teaching to some 416 undergraduates, across a wide range of academic subjects. There were some 322 graduates in the College, each of whom receives support from a College advisor. Graduates account for 43.6% of the student body. In addition, summer

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Report of the Governing Body

Year ended 31 July 2016

residence is provided for students studying for a Master of Studies in International Human Rights Law. There are now 24 Junior Research Fellows in the college: they are an important part of the college community, helping create the next generation of academics through a period of focussed research.

The College continues its commitment to internationalization by a year abroad programme operated in concert with Notre Dame University and Amherst College. It also continues to participate with WISC, Opus and Brockport schemes.

The new state-of-the-art Music Practice rooms are now in construction, and funding has been raised to complete the project. Completion is envisaged by May 2017. The major new development in Mansfield Road to create a new quadrangle and upgrade the facilities of New College School has moved into the phase of public consultation, with innovative and sensitive new plans created by David Kohn and Associates. Plans have also been approved for a refurbishment of the Morris Garage, and the creation a suite of rooms for the severely disabled, for which a significant bequest from an old member 'Toby' Milsom will be allocated.

New College School continues to have a full roll, to grow a reputation and to provide a first-class, all round education for its pupils. The Choir, an intrinsic part of the Foundation have had an excellent year, including a further visit to sing at the Vatican.

The Development Office has had another successful year with over £5.6 million received from Old Members and other supporters of the College. This included the first instalment of a pledge towards the Mansfield Road project mentioned above, funding to endow a Tutorial Fellowship in Chemistry and donations to support students at both undergraduate and graduate level.

Finally, the alumni provide a source of moral and actual support to the College, especially through the expanding range of activities in different professions offered by the New College Society.

FINANCIAL REVIEW

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

The financial year saw the College's net income at £249k (2015: net expenditure of £2,778k), the primary change being the receipt of £2,809k donations for capital projects (2015: £627k). Additionally, the recognition in 2014-15 of £506k USS and OSPS pension scheme deficits under FRS102 changed to a net £44k release this year.

Gains on investments during the year were £4,897k (2015: £19,078k), giving a net increase in College's overall funds of £5,146k (2015: £16,300k). College's unrestricted funds showed a net surplus of £4,804k for the year (2015: £6,615k).

The School's pupil numbers are at capacity, and the School achieves a surplus for the year after annual deficits in recent years; it is expected that the cumulative deficit will be paid-off within a further two or three years.

College's construction of the new Music Practice Rooms commenced in the year, and planning/design for the 'New Campus' Gradel Quad refurbishment was firmly underway; these projects account for the majority of the £4m of capital additions during the year. The Governing Body continues to exercise firm control over costs and to seek additional income via existing and new income-generating activities, ranging from the conference trade to alumni-giving.

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 Warden & Fellows are satisfied that the overall level of the Reserves of the College as a charity are appropriate in relation to the present levels of activity and the perceived levels of risk identified as part of the risk assessment and risk management process.

Total funds of the College at the year-end amounted to £226m (2015: £221m). This includes endowment capital of £191m and unspent restricted income funds totalling £0.2m. Other restricted funds stood at £1.6m.

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The College's unrestricted reserves at the year-end amounted to £32,960k (2015: £28,156k). This is made up of general free reserves of £1,072k, the negative pension deficit reserve (-£1,815k) and the following designated reserves:

- £29,857k land/building depreciation reserve (to fund the book value of tangible fixed assets, less associated funding arrangements)
- £3,751k major maintenance reserve
- £50k Choir reserve
- £15k Chapel Offertory reserve
- £30k Library reserve.

Risk management

The College has processes which operated through-out the financial year for identifying, evaluating and managing the principal risks and uncertainties faced by the College in undertaking its activities. 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. Financial risks are assessed by the Finance Committee and investment risks are monitored by the Endowment 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 to members of staff to enhance their skills in risk-related areas.

The Governing Body, which has ultimate responsibility for managing any risks faced by the College, has reviewed the processes in place for managing risk and the principal identified risks to which the College and its subsidiaries are exposed, and has concluded that adequate systems are in place to manage these risks. The principal risks and uncertainties faced by the College that have been identified are categorised as follows:

Risk	Measures
Fall in endowment asset value	Monitoring by Endowment Committee (see below)
Breaches in IT security	Monitoring by IT Sub-Committee, IT Fellow and IT Director
Weakness in teaching	Monitoring by Tuition, Research & Graduates Committee and Senior Tutor
Failures in pastoral care	Monitoring by Welfare Committee
Fire and loss of buildings	Monitoring by Buildings Committee

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 policy and strategy are set by the Governing Body as advised by the Endowment Committee, and performance is regularly monitored by the Endowment Committee. Appropriate benchmarks are set for the fund-managers and their performance measured against them. At year-end the College's long term

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Year ended 31 July 2016

investments, combining the securities and property investments, totalled £191m. The overall investment total return was 3.5% over the year.

The carrying value of the preserved permanent capital and the amount of any unapplied total return available for expenditure was taken as the open market values of these funds as at 1 August 2002 together with the original gift value of all subsequent endowment received.

Under the total return accounting basis it is the Governing Body's policy to extract as income 3.25% of the value of the relevant investments, smoothed by taking the year-end values for the current year (before in-year withdrawal) and for the previous four years. 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.

Policy on ethical investment

The College has considered the issues involved in underpinning its investment policy with a specifically ethical stance. In light of its broad charitable objects, the conclusion is that it would be difficult to isolate any particular sector or company whose activities were specifically antithetical to those of the College without excluding many companies whose activities, taken in the round, are broadly positive for the College's charitable objectives. It is also concluded that any such policy on ethical investment would risk limiting the overall investment return to the College by excluding particular areas of investment but without necessarily advancing the College's charitable objectives. The Endowment Committee, however, continues to review the investment portfolios and will instruct the managers accordingly if they believe that, despite the broad policy set out above, any specific investment should be excluded on ethical grounds.

FUTURE PLANS

The College's plans are as agreed by the Governing Body on the advice of its various Committees and are focused on continuing to enable New College to provide high-quality education of undergraduates and graduates, whilst maintaining financial stability and even growth during varying economic conditions and in the context of changes in the government funding of higher education in England and Wales. Under the Development Director, we are intensifying our fund-raising effort, aiming to increase annual-giving and to achieve major donations so as both to enhance the permanent endowment and also provide funding for special capital projects (including additional residential accommodation). The Academic Strategy Committee will continue to ensure that there is a proper balance and representation of disciplines within College and will carefully consider the replacement of Fellows who retire or leave with the aim of maintaining the highest quality in all the subjects represented and possibly expanding into other fields not currently covered by the College. This is a holistic plan: endowing Tutorial Fellowships will release funds for long-term maintenance, undergraduate and graduate scholarships, and student financial aid so as to ensure needs-blind admission. Major donations will be sought for capital projects and to increase the permanent endowment, which will in turn enhance the student experience and enable the College to retain distinguished colleagues.

The Trustees of New College Development Fund (NCDF) agreed with the College the transfer on 1 August 2016 of its entire assets (approximately £26.5m) to the College. Existing restrictions on the use of those funds are assumed by the College as the new corporate trustee, and the assets are being added to College's existing endowment and restricted fund investments. One of NCDF's alumni trustees has joined College's Endowment Committee and two alumni trustees have joined College's Development Committee.

STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES

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

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

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Report of the Governing Body

Year ended 31 July 2016

Under charity law the Governing Body must not approve the Financial Statements unless satisfied that they give a true and fair view of the state of affairs of the College and of its net income or expenditure for that period. In preparing these Financial Statements, the Governing Body is required to:

- select the most suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements 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 it to ensure that the Financial Statements comply with the Charities Act 2011. The Governing Body is also responsible for safeguarding the assets of the College and ensuring their proper application under charity law and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Governing Body on 30 November 2016 and signed on its behalf by:

Peter Miles Young
Warden/ Trustee

David Palfreyman
Bursar/ Trustee

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Independent Auditor's Report to the Members of the Governing Body of New College

We have audited the financial statements of New College for the year ended 31 July 2016 which comprise the Statement of Accounting Policies, the Consolidated Statement of Financial Activities, the Consolidated and College Balance Sheets, the Consolidated Cash Flow Statement and the related notes numbered 1 to 30.

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

Respective responsibilities of Governing Body and auditor

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

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

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

Scope of the audit of the financial statements

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

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charity's affairs as at 31 July 2016 and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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Independent Auditor's Report to the Members of the Governing Body of New College

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

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

Critchleys LLP
Statutory Auditor
Oxford

1 December 2016

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

NEW COLLEGE

Statement of Accounting Policies

Year ended 31 July 2016

1. 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 College. as permitted by paragraph 397 of the Charities SORP 2005. Consolidated accounts are not prepared while the College's subsidiary company, Longwall Limited, remains dormant.

2. Basis of accounting

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

The College has adopted FRS 102 for the first time when preparing these financial statements. The transition date to FRS 102 was 1 August 2014 and the last financial statements prepared under the previous financial reporting framework were prepared for the year ended 31 July 2015. An explanation and reconciliation of how the transition to FRS 102 has affected the reported financial position and financial performance is provided in note 30.

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

3. Accounting judgements and estimation uncertainty

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

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

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

4. Income recognition

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

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

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

NEW COLLEGE

Statement of Accounting Policies

Year ended 31 July 2016

b. Income from donations, grants, and legacies

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

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

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

Donations, grants and legacies which are subject to conditions as to their use imposed by the donor or set by the terms of an appeal are credited to the relevant restricted fund or, where the donation, grant or legacy is required to be held as capital, to the endowment funds. Where donations are received in kind (as distinct from cash or other monetary assets), they are measured at the fair value of those assets at the date of the gift.

c. Investment income

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

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

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

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

5. Expenditure

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

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

All expenditure including support costs and governance costs are allocated or apportioned to the applicable expenditure categories in the Statement of Financial Activities (the SOFA).

Support costs which includes governance costs (costs of complying with constitutional and statutory requirements) and other indirect costs are apportioned to expenditure categories in the SOFA based on the estimated amount attributable to that activity in the year, either by reference to staff time or the use made of the underlying assets, as appropriate. Irrecoverable VAT is included with the item of expenditure to which it relates.

NEW COLLEGE

Statement of Accounting Policies

Year ended 31 July 2016

6. Leases

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

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

7. Tangible fixed assets

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

Expenditure on the acquisition, construction or enhancement of land and on the acquisition, construction and enhancement of buildings which is directly attributable to bringing the asset to its working condition for its intended use, together with expenditure on equipment, is capitalised, subject to a minimum cost as follows:

Land and building acquisition	no minimum cost
New building construction and improvements	£50,000
Plant & machinery	£20,000
Other fixtures, fittings, and equipment	£10,000

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

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

8. Depreciation

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

Freehold properties, including major extensions	50 years
Leasehold properties	50 years or period of lease if shorter
Building improvements	30 years
Plant and machinery	10 years
Other equipment	4 - 10 years

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

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

NEW COLLEGE

Statement of Accounting Policies

Year ended 31 July 2016

9. Heritage Assets

The College has chosen to hold heritage assets at cost. The college has a number of assets, including items of art and historic texts that meet the definition of heritage assets under the SORP. The depreciated historic cost of the majority of these items is nil. Items purchased are recognised at cost and items donated to the College are recognised at fair value. The college has taken advantage of the exemption within FRS 102 not to disclose transactions before 1 January 2015 as obtaining fair values for these assets would be impracticable and the cost of obtaining such valuations would outweigh the benefits to the users of these financial statements.

10. Investments

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

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

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 Fund holding or disposing of the relevant investment.

11. Other financial instruments

a. Derivatives

Derivative financial instruments are initially measured at fair value on the date the contract is entered into and are subsequently measured at fair value. Changes in fair value are credited or charged to the income or expenditure section of the SOFA. Hedge accounting is not currently applied to derivatives.

b. 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.

c. Debtors and creditors

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

12. Stocks

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

13. Foreign currencies

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

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

14. 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 standard trust law and with discretion to apply any part of the accumulated total return on the investment as income for spending each year. Until this power is exercised, the total return is accumulated as a component of the endowment known as the unapplied total return that can be either be retained for investment or release to income at the discretion of the Governing Body.

15. Fund accounting

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

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

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

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

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

16. Pension costs

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

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

NEW COLLEGE
Statement of Financial Activities
For the year ended 31 July 2016

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2016 Total £'000	2015 Total £'000
INCOME AND ENDOWMENTS FROM:						
Charitable activities:						
	1					
Teaching, research and residential		6,911	-	-	6,911	6,567
Public worship and Choir School		2,115	-	-	2,115	2,031
Donations and legacies	2	530	3,775	-	4,305	1,573
Other Trading Income	3	195	-	-	195	98
Investments						
Investment income	4	6	1	2,449	2,456	2,390
Total return allocated to income	14	5,543	235	(5,778)	-	-
Total income		15,300	4,011	(3,329)	15,982	12,659
EXPENDITURE ON:						
5 to 8						
Charitable activities:						
Teaching, research and residential		11,461	1,242	-	12,703	12,378
Public worship and Choir School		2,273	13	-	2,286	2,163
Generating funds:						
Fundraising		75	-	-	75	61
Trading expenditure		18	-	-	18	16
Investment management costs		26	-	625	651	819
Total Expenditure		13,853	1,255	625	15,733	15,437
Net Income/(Expenditure) before gains		1,447	2,756	(3,954)	249	(2,778)
Net gains/(losses) on investments	11, 12	35	-	4,862	4,897	19,078
Net Income/(Expenditure)		1,482	2,756	908	5,146	16,300
Transfers between funds	17	3,322	(2,991)	(331)	-	-
Net movement in funds for the year		4,804	(235)	577	5,146	16,300
Fund balances brought forward	17	28,156	1,984	190,727	220,867	204,567
Funds carried forward at 31 July		32,960	1,749	191,304	226,013	220,867

NEW COLLEGE
Balance Sheet
As at 31 July 2016

	Notes	2016 £'000	2015 £'000
FIXED ASSETS			
Tangible assets	9	32,040	28,884
Property investments	11	53,376	50,011
Other Investments	12, 13	138,115	140,878
Total Fixed Assets		223,531	219,773
CURRENT ASSETS			
Stocks		433	443
Debtors	15	3,439	1,729
Investments		300	47
Cash at bank and in hand		3,307	3,947
Total Current Assets		7,479	6,166
LIABILITIES			
Creditors: Amounts falling due within one year	16	3,182	3,213
NET CURRENT ASSETS/(LIABILITIES)		4,297	2,953
TOTAL ASSETS LESS CURRENT LIABILITIES		227,828	222,726
Defined benefit pension scheme liability	21, 30	1,815	1,859
TOTAL NET ASSETS/(LIABILITIES)		226,013	220,867
FUNDS OF THE COLLEGE			
Endowment funds	17, 18	191,304	190,727
Restricted funds		1,749	1,984
Unrestricted funds			
Designated funds		33,703	29,001
General funds		1,072	1,014
Pension reserve	21, 30	(1,815)	(1,859)
		226,013	220,867

The financial statements were approved and authorised for issue by the Governing Body of New College on 30 November 2016.

Warden/ Trustee:

Bursar/ Trustee:

NEW COLLEGE
Statement of Cash Flows
For the year ended 31 July 2016

	Notes	2016 £'000	2015 £'000
Net cash used in operating activities	23	<u>(3,000)</u>	<u>(3,821)</u>
Cash flows from investing activities			
Dividends, interest and rents from investments		2,456	2,386
Proceeds from the sale of property, plant and equipment		1	32
Purchase of property, plant and equipment		(4,140)	(8,211)
Proceeds from sale of investments		18,582	57,791
Purchase of investments		(14,286)	(48,425)
Net cash provided by investing activities		<u>2,613</u>	<u>3,573</u>
Change in cash and cash equivalents in the reporting period		<u>(387)</u>	<u>(248)</u>
Cash and cash equivalents at the beginning of the reporting period		3,994	4,242
Cash and cash equivalents at the end of the reporting period	24	<u>3,607</u>	<u>3,994</u>

NEW COLLEGE
Notes to the financial statements
For the year ended 31 July 2016

1 INCOME FROM CHARITABLE ACTIVITIES

	2016	2015
	£'000	£'000
Teaching, Research and Residential		
Unrestricted funds		
Tuition fees - UK and EU students	1,889	1,918
Tuition fees - Overseas students	664	713
Other fees	399	289
Other HEFCE support	283	362
Other academic income	194	139
College residential income	3,482	3,146
	<u>6,911</u>	<u>6,567</u>
Total Teaching, Research and Residential	<u>6,911</u>	<u>6,567</u>
Public worship, Choir and Choir School		
Unrestricted funds		
Choir school fees	2,087	2,010
Other	28	21
	<u>2,115</u>	<u>2,031</u>
Total public worship, Choir and Choir School	<u>2,115</u>	<u>2,031</u>
Total income from charitable activities	<u>9,026</u>	<u>8,598</u>

The above analysis includes £2,081k received from Oxford University from publicly accountable funds under the CFF Scheme (2015: £2,181k).

2 DONATIONS AND LEGACIES

	2016	2015
	£'000	£'000
Donations and Legacies		
Unrestricted funds	530	15
Restricted funds	3,775	1,558
Endowed funds	-	-
	<u>4,305</u>	<u>1,573</u>

3 INCOME FROM OTHER TRADING ACTIVITIES

	2016	2015
	£'000	£'000
Entrance and facility fees	190	96
Other trading income	5	2
	<u>195</u>	<u>98</u>

4 INVESTMENT INCOME

	2016	2015
	£'000	£'000
Unrestricted funds		
Equity dividends	-	3
Bank interest	6	11
Other interest	-	1
	<u>6</u>	<u>15</u>
Restricted funds		
Bank interest	1	6
	<u>1</u>	<u>6</u>
Endowed funds		
Agricultural rent	558	578
Commercial rent	341	343
Other property income	310	245
Equity dividends	1,149	1,115
Income from fixed interest stocks	77	77
Interest on fixed term deposits and cash	14	11
	<u>2,449</u>	<u>2,369</u>
Total Investment income	<u>2,456</u>	<u>2,390</u>

NEW COLLEGE
Notes to the financial statements
For the year ended 31 July 2016

5 ANALYSIS OF EXPENDITURE

	2016	2015
	£'000	£'000
Charitable expenditure		
Direct staff costs allocated to:		
Teaching, research and residential	6,051	5,827
Public worship & Choir School	1,429	1,314
Other direct costs allocated to:		
Teaching, research and residential	4,752	4,144
Public worship & Choir School	527	543
Support and governance costs allocated to:		
Teaching, research and residential	1,900	2,407
Public worship & Choir School	330	306
Total charitable expenditure	14,989	14,541
Expenditure on raising funds		
Direct staff costs allocated to:		
Fundraising	34	27
Trading expenditure	14	13
Other direct costs allocated to:		
Fundraising	17	8
Trading expenditure	2	2
Investment management costs	133	305
Support and governance costs allocated to:		
Fundraising	24	26
Trading expenditure	2	1
Investment management costs	518	514
Total expenditure on generating funds	744	896
Total expenditure	15,733	15,437

The 2015 resources expended of £15,437k represented £13,540k from unrestricted funds, £1,105k from restricted funds and £792k from endowed funds.

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

The teaching and research costs include College Contribution payable of £202k (2015: £181k).

	2016	2015
	Total	Total
	£'000	£'000
Included within the resources expended above are:		
Stock recognised as an expense in the year	812	641
Operating lease payments	44	43

6 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

	Generating Funds	Teaching & Research	Public Worship and Choir School	2016 Total
	£'000	£'000	£'000	£'000
Financial administration	52	598	173	823
Domestic administration	-	192	-	192
Investment management	484	-	-	484
Human resources	-	32	-	32
IT	-	280	-	280
Depreciation	6	822	155	983
Loss/(profit) on fixed assets	-	(1)	-	(1)
Other finance charges	-	(43)	-	(43)
Governance costs	2	20	2	24
	544	1,900	330	2,774

NEW COLLEGE
Notes to the financial statements
For the year ended 31 July 2016

6 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS (continued)

	Generating Funds	Teaching & Research	Public Worship and Choir School	2015 Total
	£'000	£'000	£'000	£'000
Financial administration	48	556	174	778
Domestic administration	-	185	-	185
Investment management	477	-	-	477
Human resources	-	116	-	116
IT	-	273	-	273
Depreciation	6	773	130	909
Loss/(profit) on fixed assets	-	(13)	-	(13)
Bank interest payable	-	4	-	4
Other finance charges	8	498	-	506
Governance costs	2	15	2	19
	541	2,407	306	3,254

Financial and domestic administration, IT and human resources costs are attributed according to the estimated staff time spent on each activity. Depreciation costs and profit or loss on disposal of fixed assets are attributed according to the use made of the underlying assets.

	2016 £'000	2015 £'000
Governance costs comprise:		
Auditor's remuneration - audit services	24	19
	24	19

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

7 GRANTS AND AWARDS

2016 £'000 2015 £'000

During the year the College funded research awards and bursaries to students from its funds as follows:

Unrestricted funds

Grants to individuals:

Scholarships, prizes and grants

Bursaries and hardship awards

16 3

59 79

Total unrestricted

75 82

Restricted funds

Grants to individuals:

Scholarships, prizes and grants

Bursaries and hardship awards

347 360

74 65

Total restricted

421 425

Total grants and awards

496 507

The Bursaries and hardship awards above include the cost to the College of the Oxford Bursary scheme. Students of this college received £128k (2015: £134k). Some of those students also received University fee waivers amounting to £41k (2015: £54k).

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

8 STAFF COSTS

The aggregate staff costs for the year were as follows.

2016 £'000 2015 £'000

Salaries and wages

Social security costs

Pension costs:

Defined benefit schemes, including pension deficit movement in year

6,978 7,155

531 503

998 1,472

8,507 8,669

The average number of employees of the College, excluding Trustees, was as follows:

2016 2015

Tuition and research

College residential

Public worship and Choir School

Fundraising

Support

Total

87 86

134 114

59 56

6 6

15 15

301 277

NEW COLLEGE
Notes to the financial statements
For the year ended 31 July 2016

8 STAFF COSTS (continued)

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

University Lecturers	19	17
CUF Lecturers	19	18
Other teaching and research	17	17
Other	7	7
Total	<u>62</u>	<u>59</u>

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	2	1
£90,001-£100,001	1	1

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

In defined benefits schemes	3	2
In defined contribution schemes	-	-

The College contributions to pension schemes were:

to defined benefit schemes	£35,351	£22,915
to defined contribution schemes	-	-

9 TANGIBLE FIXED ASSETS

	Freehold land & buildings £'000	Plant & machinery £'000	Fixtures, fittings, & equipment £'000	Total £'000
Cost				
At start of year	37,542	405	746	38,693
Additions	4,048	-	92	4,140
Disposals	-	-	(46)	(46)
At end of year	<u>41,590</u>	<u>405</u>	<u>792</u>	<u>42,787</u>
Depreciation and impairment				
At start of year	9,098	276	435	9,809
Charge for the year	853	46	85	984
On disposals	-	-	(46)	(46)
At end of year	<u>9,951</u>	<u>322</u>	<u>474</u>	<u>10,747</u>
Net book value				
At end of year	<u>31,639</u>	<u>83</u>	<u>318</u>	<u>32,040</u>
At start of year	28,444	129	311	28,884

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

10 HERITAGE ASSETS

The College's collection of medieval manuscript volumes and early printed books, as well as chattels and works of art was, started by William of Wykeham at its foundation in 1379. This collection has been supplemented by a steady (and continuing) stream of donated assets over the centuries, and by acquisition, with approximately 400 manuscript volumes and over 30,000 antiquarian books available to view by appointment, and a number of works of art on display around the College. These donated assets were given on the understanding that the College would preserve them and make them accessible to scholars and, where not constraining scholars' access to them, to the public. These heritage assets are held at cost, which in the Trustees' opinion is now immaterial. The Trustees consider the cost to obtain a valuation of these assets would not be commensurate with the benefit to the readers of the financial statements. Many of the works of art are on display in Hall, Chapel, and Ante-Chapel, which are open to members of the public on most days. Ancient manuscripts and books may be viewed by appointment.

NEW COLLEGE
Notes to the financial statements
For the year ended 31 July 2016

11 PROPERTY INVESTMENTS

	Agricultural £'000	Commercial £'000	Other £'000	2016 Total £'000	2015 Total £'000
Valuation at start of year	40,325	6,002	3,684	50,011	46,566
Additions and improvements at cost	1,970	-	235	2,205	147
Disposals	(335)	-	(431)	(766)	(153)
Revaluation gains/(losses) in the year	1,687	-	239	1,926	3,451
Valuation at end of year	43,647	6,002	3,727	53,376	50,011

Agricultural properties includes residential and commercial properties in the College's rural estates. Valuation of the agricultural properties was prepared by Savillis (UK) Ltd as at 31 July 2016.

Commercial property includes a central London site, which was valued at £6m in 2008 by Colliers International.

College houses are revalued annually by reference to the Nationwide Building Society house price index (Outer S-East UK region).

12 OTHER INVESTMENTS

All investments are held at fair value.

12a: Fixed Asset investments

	2016 £'000	2015 £'000
Investments		
Valuation at start of year	140,878	134,611
New money invested	12,081	48,278
Amounts withdrawn	(13,701)	(53,576)
Reinvested income	(3,931)	(3,930)
Investment management fees	(148)	(132)
(Decrease)/increase in value of investments	2,936	15,627
Investments at end of year	138,115	140,878

Investments comprise:

	Held outside the UK £'000	Held in the UK £'000	2016 Total £'000	Held outside the UK £'000	Held in the UK £'000	2015 Total £'000
Equity investments	51,290	2,183	53,473	48,819	3,010	51,829
Global multi-asset funds	52,399	-	52,399	56,422	-	56,422
Property funds	-	-	-	-	-	-
Fixed interest stocks	5,600	7,759	13,359	4,754	6,218	10,972
Alternative and other investments	6,006	7,670	13,676	3,809	8,482	12,291
Fixed term deposits and cash	-	5,208	5,208	97	9,267	9,364
Total investments	115,295	22,820	138,115	113,901	26,977	140,878

12b: Current Asset Investments

	2016 £'000	2015 £'000
Valuation at start of year	-	-
Amounts withdrawn	(35)	-
Increase in value of investments	35	-
Investments at end of year	-	-

13 PARENT AND SUBSIDIARY UNDERTAKINGS

The College holds 100% of the issued share capital (£2) in Longwall Limited, which was dormant during the year.

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Notes to the financial statements
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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 calculated as in a range from 3% to 4% of the average of the year-end values of the relevant investments in each of the last 5 years. 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			Expendable	Total
	Trust for investment £'000	Unapplied total return £'000	Total £'000	Endowment £'000	Endowments £'000
At the beginning of the year:					
Gift component of the permanent endowment	51,742		51,742		51,742
Unapplied total return		131,605	131,605		131,605
Expendable endowment				7,380	7,380
Total Endowments	51,742	131,605	183,347	7,380	190,727
Movements in the reporting period:					
Investment return: total investment income		2,381	2,381	68	2,449
Investment return: realised and unrealised gains and losses		4,700	4,700	162	4,862
Less: Investment management costs		(605)	(605)	(20)	(625)
Other transfers	-	(331)	(331)	-	(331)
Total	-	6,145	6,145	210	6,355
Unapplied total return allocated to income in the reporting period		(5,534)	(5,534)	(244)	(5,778)
Expendable endowments transferred to income				-	-
	-	(5,534)	(5,534)	(244)	(5,778)
Net movements in reporting period	-	611	611	(34)	577
At end of the reporting period:					
Gift component of the permanent endowment	51,742	-	51,742		51,742
Unapplied total return		132,216	132,216		132,216
Expendable endowment				7,346	7,346
Total Endowments	51,742	132,216	183,958	7,346	191,304

15 DEBTORS

	2016	2015
	£'000	£'000
Amounts falling due within one year:		
Trade debtors	691	671
Amounts owed by College members	203	230
Loans repayable within one year	13	17
Prepayments and accrued income	2,501	757
Other debtors	22	41
Amounts falling due after more than one year:		
Loans	9	13
	3,439	1,729

16 CREDITORS: falling due within one year

	2016	2015
	£'000	£'000
Trade creditors	405	400
Taxation and social security	290	145
College contribution	197	193
Accruals and deferred income	1,232	1,126
Other creditors	1,058	1,349
	3,182	3,213

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17 ANALYSIS OF MOVEMENTS ON FUNDS

Movements in major funds are detailed below. Movements in smaller funds are aggregated by purpose or as 'Other' in each section.

	At 1 August 2015 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2016 £'000
Endowment Funds - Permanent						
General purpose:						
Founder's Endowment	175,229	2,306	(584)	(5,623)	4,521	175,849
Other unrestricted named endowments	904	8	(2)	(27)	20	903
Restricted purpose:						
Student scholarship & prize funds	5,221	48	(14)	(156)	115	5,214
Bolney Brown Benefaction	966	9	(3)	(29)	21	964
Other restricted named endowments	1,027	10	(2)	(30)	23	1,028
Endowment Funds - Expendable						
General purpose:						
College Endowment	5,645	52	(15)	(193)	124	5,613
Other unrestricted named endowments	1,082	10	(3)	(32)	24	1,081
Restricted purpose:						
Other restricted named endowments	653	6	(2)	(19)	14	652
Total Endowment Funds	190,727	2,449	(625)	(6,109)	4,862	191,304
Restricted Funds						
Restricted purpose endowments - unspent income	163	-	(208)	235	-	190
Morris Garages refurbishment	1,443	-	-	(182)	-	1,261
New College Development Fund	-	3,775	(966)	(2,809)	-	-
Ludwig Fund	135	-	(51)	-	-	84
Balzan Prize	215	1	(22)	-	-	194
The Tolkien Trust Bursary	28	-	(8)	-	-	20
Total Restricted Funds	1,984	3,776	(1,255)	(2,756)	-	1,749
Unrestricted Funds						
Designated funds: fixed assets - donated	5,363	-	-	2,806	-	8,169
Designated funds: fixed assets - general	21,004	-	-	684	-	21,688
Designated funds: major maintenance reserve	2,512	-	-	1,239	-	3,751
Designated funds: Choir reserve	110	-	-	(60)	-	50
Other designated funds	12	30	-	3	-	45
General Fund	1,014	9,727	(13,897)	4,193	35	1,072
Pension reserve (deficit)	(1,859)	-	44	-	-	(1,815)
Total Unrestricted Funds	28,156	9,757	(13,853)	8,865	35	32,960
Total Funds	220,867	15,982	(15,733)	-	4,897	226,013

Under the provisions of s30 University and College Estates Act 1925 (amended 1964), and in accordance with the policy of the Charity Commission under s26(4) Charities Act 2011, College has 'borrowed' some £22.4m from its permanent endowment capital for the repair, improvement and modernisation of its functional buildings. That sum is being repaid via a sinking or redemption fund at 3.5% over 40 years in accordance with s32 of the 1925 (1964) Act.

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18 FUNDS OF THE COLLEGE DETAILS

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

Endowment Funds - Permanent:

Founder's Endowment	William of Wykeham endowment to establish New College in Oxford, where income can be used for the general purposes of the charity
Other unrestricted named endowments	A consolidation of gifts and donations where income, but not capital, can be used for the general purposes of the charity
Specific purpose endowments	Capital balance of past donations where related income, but not the original capital, can be used for the following purposes of the charity:
- Named scholarship funds	- student scholarships and prizes
- Bolney Brown Benefaction	- Chapel support
- Other named funds	- a variety of funds providing support for student bursaries/hardship, Library, fellowships, and grants to parishes

Endowment Funds - Expendable:

College Endowment	The expendable balance of endowment where either income, or income and capital, can be used for the general purposes of the charity
Other unrestricted named funds	Capital balance of past donations where related income, or income and capital, can be used for College's general purposes
Specific purpose named funds	A consolidation of gifts and donations where either income, or income and capital, can be used to support tuition/research and Library

Restricted Funds:

Specific purpose endowments - income	Income generated from specific purpose endowments not spent and available for future scholarships, fellowships and parish support
Morris Garages refurbishment	A consolidation of gifts and donations where both income and capital can be used for the future refurbishment of College property
New College Development Fund	Donations to support College expenditure on student scholarships/bursaries, tutorial and research fellowships, fundraising costs, choir, and equipment/chattels
Ludwig Fund	Donations to provide funding for humanities research/projects
Balzan Prize	Prize funding for Cosmological studies centre
The Tolkien Trust Bursary	Undergraduate hardship bursary for 2012 and 2013 entrants
Designated Funds	
Fixed asset designated funds	Unrestricted funds which are represented by the fixed assets of the College and therefore not available for expenditure on the College's general purposes
Major maintenance & projects	Unrestricted funds allocated by the Fellows for future spend on fixed assets
Choir reserve	Accumulated surpluses from Choir activities
Other designated funds	Offertory fund (from Chapel service collections); Library Fund (conservation of books and manuscripts)
Pension reserve (deficit)	Unrestricted funds, in accordance with FRS 102, representing defined benefit pension schemes

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

19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2016 Total £'000
Tangible fixed assets	32,040	-	-	32,040
Property investments	-	-	53,376	53,376
Other investments	-	190	137,925	138,115
Net current assets	2,735	1,559	3	4,297
Pension scheme liability	(1,815)	-	-	(1,815)
	32,960	1,749	191,304	226,013
	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2015 Total £'000
Tangible fixed assets	28,884	-	-	28,884
Property investments	-	-	50,011	50,011
Other investments	-	-	140,878	140,878
Net current assets	1,131	1,984	(162)	2,953
Pension scheme liability	(1,859)	-	-	(1,859)
	28,156	1,984	190,727	220,867

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Notes to the financial statements
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20 TRUSTEES' REMUNERATION

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

Most trustees of the College fall into the following categories:

- Warden
- Tutorial Fellow
- Professorial Fellow
- Supernumerary Fellow
- Career Development Fellow

There are four other trustees, three of whom (Bursar, Director of Development, and Home Bursar) work full-time on management and fund-raising, and the fourth is College's Chaplain.

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

Some trustees are eligible for College housing schemes. One trustee lives in a house owned by the College and has a deduction from salary as 'rent'. Others may be eligible for a housing allowance which is disclosed within the following salary figures. During the year, ten trustees lived in houses owned jointly with the College (2015: eight). Two houses were bought in the year (2015: none) and three were sold during the year (2015: one).

Some trustees receive additional allowances for additional work carried out as part-time college officers (eg, Senior Tutor, Dean, Precentor, Sub-Warden). These amounts are included within the remuneration figures in the following table. The total remuneration and taxable benefits as shown below is £2,502k (2015: £2,503k). The total of pension contributions is £335k (2015: £388k).

The College Governing Body refers to a Remuneration Committee all aspects of the pay and allowances for the Warden and Fellows - this Remuneration Committee has a membership that is completely external to that of the Governing Body.

Remuneration paid to trustees

Range	2016		2015	
	Number of Trustees/Fellows	Gross remuneration, taxable benefits and pension contributions £	Number of Trustees/Fellows	Gross remuneration, taxable benefits and pension contributions £
£1-£4,999	17	64,115	18	65,220
£5,000-£9,999	2	13,377	1	7,282
£10,000-£14,999	2	22,809	1	14,286
£15,000-£19,999	1	19,647	1	19,208
£30,000-£34,999	1	33,383	2	68,207
£35,000-£39,999	8	308,320	10	379,825
£40,000-£44,999	6	251,571	4	167,214
£45,000-£49,999	3	141,739	3	141,801
£50,000-£54,999	3	157,793	2	105,162
£55,000-£59,999	3	172,540	2	114,340
£60,000-£64,999			4	246,716
£65,000-£69,999	6	410,478	4	276,941
£70,000-£74,999	5	359,653	4	291,889
£75,000-£79,999			1	79,266
£85,000-£89,999	1	88,810	-	-
£90,000-£94,999			2	184,752
£100,000-£104,999	1	104,287	1	101,184
£105,000-£109,999	1	108,542	-	-
£115,000-£119,999			1	119,488
£120,000-£124,999	2	245,002	1	120,134
Total	62	2,502,066	62	2,502,915

All trustees are employees of the college and receive remuneration.

All trustees, together with other senior employees, are eligible for private health insurance as part of their remuneration package. All trustees may eat at common table, as can all other employees who are entitled to meals while working.

Other transactions with trustees

No trustee claimed expenses for any work performed in discharge of duties as a trustee.
See also note 30 - Related Party Transactions.

Key management remuneration

The total remuneration paid for the key management of College was £503k (2015: £500k). Key management is considered to be delivered by the Warden, Bursar, Dean, Head of New College School, Home Bursar, and Senior Tutor.

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21 PENSION SCHEMES

The College participates in the Universities Superannuation Scheme ("the USS"), the University of Oxford Staff Pension Scheme ("the OSPS"), and the Teachers' Pension Scheme (the "TPS") on behalf its staff. Each scheme is contributory defined benefit schemes (i.e. they provide benefits based on length of service and pensionable salary). The assets of USS, OSPS, and TPS are each held in separate trustee-administered funds.

Each scheme is a multi-employer scheme and the College is unable to identify its share of the underlying assets and liabilities of each scheme on a consistent and reasonable basis. Therefore, as required by FRS 102 the College accounts for the schemes as if they were defined contribution schemes.

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

Universities Superannuation Scheme

The pension charge for the year includes £608k (2015: £1,055k) in relation to the USS. This represents contributions of £596k payable to the USS as adjusted by the change in the deficit funding liability between the opening and closing balance sheet dates of £12k.

USS's actuarial valuation as at 31 March 2014 takes into account the revised benefit structure effective 1 April 2016 agreed both by the Joint Negotiating Committee and the Trustee in July 2015 following the Employers' consultation which concluded in June 2015. Key changes agreed include: for Final Salary section members, the benefits built up to 31 March 2016 will be calculated as at that date using pensionable salary and pensionable service immediately prior to that date and going forwards will be revalued in line with increases in official pensions (currently CPI); all members will accrue a pension of 1/75th and a cash lump sum of 3/75ths of salary each year of service in respect of salary up to a salary threshold, initially £55,000 p.a. with the threshold applying from 1 October 2016; member contributions will be 8% of salary; a defined contribution benefit for salary in excess of the salary threshold at the total level of 20% (8% employee, 12% employer) of salary in excess of the salary threshold; and optional additional contributions payable into the defined contribution section from 1 October 2016 of which the first 1% of salary is to be matched by employer contributions. Further details about the changes may be reviewed on USS' website, www.uss.co.uk. For the period up to 1 April 2016 the employer deficit contribution was 0.7% p.a. of salaries based on the assumptions made. After allowing for those changes, the actuary established a long term employer contribution rate of 18% pa of salaries for the period from 1 April 2016 to 31 March 2031. On the assumptions made and with the salary threshold and defined contribution section implemented this gives rise to deficit contributions of at least 2.1% p.a. of salaries. At 31 March 2016 USS reported that the funding deficit had increased to £10.0 bn (83% funded) from £8.2bn (86% funded) at 31 March 2015.

USS' actuary has assumed that the investment return is 5.2% in year 1, decreasing linearly to 4.7% over 20 years. USS' actuary has assumed that general pay growth will be CPI in year 1, CPI + 1% in year 2 and RPI + 1% pa thereafter. It is assumed that CPI is based on the RPI assumption (market derived price inflation of 3.6% p.a less an inflation risk premium) less RPI/CPI gap of 0.8% p.a. As noted above the USS employer contribution rate is 18% of salaries from 1 April 2016. Prior to that date it is 16% of salaries. The total employer contributions include provisions for the cost of future accrual of defined benefits (DB) (net of member contributions to the DB section), deficit contributions, administrative expenses of 0.4% of salaries and from the implementation of the salary threshold the employer contribution towards defined contribution benefits including employer matching contributions and certain investment management costs relating to the DC section.

A provision of £1,001k has been made at 31 July 2016 (2015: £988k) for the present value of the estimated future deficit funding element of the contributions payable under this agreement. In determining the level of this provision it has been assumed that the College will continue to have a constant level of employee participation in this scheme and that the relevant earnings of these employees will increase in line with the actuary's projected long-term salary rate increases.

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

Oxford Staff Pension Scheme

The pension charge for the year includes £259k (2015: £361k) in relation to the OSPS. This represents contributions of £315k payable to the OSPS as adjusted by the change in the deficit funding liability between the opening and closing balance sheet dates of -£56k.

OSPS' actuarial valuation as at 31 March 2013 identified a required long-term employer contribution rate of 20.1% of total pensionable salaries with a funding deficit of £173m. The University of Oxford, on behalf of all the employers participating in the scheme, has agreed with the trustees of OSPS to address this deficit by raising the employer contribution rate in increments of 0.5% of pensionable salary to 23.5%, with this increase being implemented over the three years to 1 August 2017. The actuary has certified that the additional contribution should eliminate the deficit by 30 June 2026. At 31 March 2015 the scheme reported a funding deficit of £213.4m (71% funded) compared to £134.8m (77% funded) as at 31 March 2014. The next triennial

The OSPS employer contribution rate required for future service benefits alone at the date of the valuation was 20.1% of total pensionable salaries. It was agreed that employers increase their contribution rate by 0.5% each year to 1 August 2017 to 23.5%.

A provision of £815k has been made at 31 July 2016 (2015: £871k) for the present value of the estimated future deficit funding element of the contributions payable under this agreement. In determining the level of this provision it has been assumed that the College will continue to have a constant level of employee participation in this scheme and that the relevant earnings of these employees will increase in line with the actuary's projected long-term salary rate increases.

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

Teachers' Pension Scheme

The pension charge for the year includes £131k (2015: £109k) in relation to the TPS.

Members of the Teachers' Pensions Scheme contribute on a 'pay as you go' basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set following scheme valuations undertaken by the Government Actuary Department. The latest valuation report in respect of the Scheme was prepared at 31 March 2012 and was published in June 2014. This report confirmed that the employer contribution rate will increase from 14.1% to 16.4% although, recognising that teaching establishments work on an academic and not the tax financial year, the Government has deferred the implementation of this increase to September 2015.

A copy of the valuation report and other details on the scheme are available on the Teachers' pensions website at www.teacherspensions.co.uk.

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21 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 after allowance for the deficit recovery plan as follows:

Scheme	2016 £000	2015 £000
Universities Superannuation Scheme	608	1,055
University of Oxford Staff Pension Scheme	259	361
Teachers' Pension Scheme	131	109
Total	998	1,525

22 TAXATION

The College is able to take advantage of the tax exemptions available to charities from taxation in respect of income and capital gains received to the extent that such income and gains are applied to exclusively charitable purposes. No liability to corporation tax arises in the College's dormant subsidiary company. Accordingly no provision for taxation has been included in the financial statements.

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

	2016 £'000	2015 £'000
Net income/(expenditure)	5,146	16,300
Elimination of non-operating cash flows:		
Investment income	(2,456)	(2,390)
(Gains)/losses in investments	(4,897)	(19,078)
Financing Costs	-	4
Depreciation	983	909
(Surplus)/loss on sale of fixed assets	(1)	(13)
Decrease/(Increase) in stock	10	2
Decrease/(Increase) in debtors	(1,710)	(157)
(Decrease)/Increase in creditors	(31)	96
(Decrease)/Increase in pension scheme liability	(44)	506
Net cash provided by (used in) operating activities	(3,000)	(3,821)

24 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £'000	2015 £'000
Cash at bank and in hand	3,307	3,947
Notice deposits (less than 3 months)	300	47
Total cash and cash equivalents	3,607	3,994

25 FINANCIAL COMMITMENTS

The College has an annual pensions commitment to a number of retired employees whose service predated the introduction of the main occupational schemes (see note 5). These payments, which are subject to annual inflationary increases, currently total £10,000 per annum, and the net present value of future payments is estimated to be of the order of £100,000.

The College had no non-cancellable operating leases during the year (2015: none).

26 CAPITAL COMMITMENTS

The College had contracted commitments at 31 July for ongoing capital projects totalling £129k (2014: £595k).

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27 RELATED PARTY TRANSACTIONS

Members of the Governing Body, who are the trustees of the College and related parties as defined by FRS 102, receive remuneration and facilities as employees of the College. Details of these payments and reimbursed expenses as trustees are disclosed separately in these financial statements.

Two trustees had loans from the College during the year (two trustees had loans in 2015). The outstanding balances at 31 July were £9,195 (2015: £9,195). Interest is charged on the loans at HMRC's prevailing Official Rate of Interest, which was 3% per annum during the year, and the upper limit for such loans is £5,000. All loans are repayable within five years or on the departure of the trustee from the College, if earlier.

The College has properties owned jointly with trustees under joint equity ownership agreements between the trustee and the College. College's equity is valued at £1,581k.

	2016 £'000	2015 £'000
Trustee:		
Wathen	359	332
Mulhall	220	202
Banares-Alcantara	-	101
Leeder	219	204
Kimmel	272	250
Timmel	218	172
Halbach	186	171
McGrady	-	193
Churchill	107	-
Adams	-	-
	(bought and sold in year)	-
Total net book value	<u>1,581</u>	<u>1,625</u>

All joint equity properties are subject to sale on the departure of the trustee from the College. The College-owned share is declared as a taxable benefit in kind for each trustee to HMRC each year.

28 CONTINGENT LIABILITIES

There were no contingent liabilities at 31 July 2016.

29 POST BALANCE SHEET EVENTS

The Trustees of New College Development Fund (NCDF) agreed with the College the transfer on 1 August 2016 of its entire net assets (approximately £26.5m) to the College. The NCDF's operating activities are provided by the College's Development Office (£0.5m in the NCDF's latest year to 31 July 2016). 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 NCDF, other than for those made by existing standing order and direct debit instructions (the transfer of these being in phases).

30 TRANSITION TO FRS 102

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

Effect on the SoFA	Unrestricted	Restricted	Endowed	2015
	Funds	Funds	Funds	Total
	£'000	£'000	£'000	£'000
Net Income/(Expenditure) before gains, as previously stated	7,121	33	(9,426)	(2,272)
Pension deficit liability in year	(506)	-	-	(506)
Accrued holiday pay in year	-	-	-	-
Net Income/(Expenditure) before gains, restated	<u>6,615</u>	<u>33</u>	<u>(9,426)</u>	<u>(2,778)</u>
Effect on net funds	Unrestricted	Restricted	Endowed	2015
	Funds	Funds	Funds	Total
	£'000	£'000	£'000	£'000
Net Funds (as previously stated)	30,090	1,984	190,727	222,801
Pension deficit liability, 1 August 2014 *	(1,353)	-	-	(1,353)
Accrued holiday pay, 1 August 2014 *	(75)	-	-	(75)
Pension deficit liability in year	(506)	-	-	(506)
Accrued holiday pay in year	-	-	-	-
	<u>28,156</u>	<u>1,984</u>	<u>190,727</u>	<u>220,867</u>

* Net funds at 1 August 2014 (as previously stated) were £205,995k, and are restated at £204,567k.

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

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