

# Corpus Christi College



OXFORD

## Annual Report & Financial Statements



Year Ended 31 July 2018

Charity Registration Number: 1143714

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## MEMBERS OF THE GOVERNING BODY

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The Members of the Governing Body are the College's charity trustees under charity law. Those members of the Governing Body who served as trustees during the year or subsequently are detailed below. For continuing Members of the Governing Body, the year of their original appointment is noted.

Prof Colin Akerman	2008
Prof David Armstrong	2017
Dr Nigel Bowles	2011
Prof Alastair Buchan	2009
Prof Giovanni Capoccia	2003
Prof Richard Cornall	2007
Prof Steven Cowley	2016 (Resigned June 2018)
Dr Paul Dellar	2007
Prof James Duffy	2016
Dr Matthew Dyson	2016
Prof Jas' Elsner	2000
Prof Liz Fisher	2000
Prof Andrew Fowler	1985
Prof Nicole Grobert	2012
Prof Constanze G�thenke	2014
Mr John Harrison	2012 (Resigned April 2018)
Prof Stephen Harrison	1987
Prof Peter Hore	1983
Prof Michael Johnston	2002
Prof Hans Kraus	1996
Revd Canon Dr Judith Maltby	1993
Prof Michael Martin	January 2018
Prof Colin McDiarmid	May 2018
Dr Neil McLynn	2007
Prof Jeff McMahan	2014
Prof Helen Moore	1996
Prof Robin Murphy	2009
Prof Peter Nellist	2006
Prof Pier Palamara	2017
Prof Katherine Paugh	2017
Prof Tobias Reinhardt	2008
Mr Andrew Rolfe	2014
Dr David Russell	2015
Prof Mark Sansom	2011
Prof Pawel Swietach	2010
Mr Nick Thorn	2001
Prof John Watts	1997
Dr Mark Wormald	2000
Prof Mark Wrathall	2017

Representatives of junior members also sit on Governing Body.



## COLLEGE COMMITTEE STRUCTURE

During the year, the main activities of the Governing Body were carried out through nine committees supported by a nominated officer, and these are listed below:

- Academic (Senior Tutor)
- Buildings (Bursar)
- Computing (Computing Fellow)
- Development (Development Director)
- Fellowships (President)
- Finance & Budget (Bursar)
- Investments (Bursar)
- Library (Fellow Librarian)
- Remuneration (External Chair – see below)

In addition, there are several other committees, which convene for specific purposes, and these include a joint committee with junior members, representatives of which attend Governing Body.

## EXTERNAL COMMITTEE MEMBERS

### Investment Committee:

- Mr David Bloch (2016)
- Mr Grady Durham (2006)
- Mr Richard Fitzalan-Howard (2005)
- Mr Jonathan Garner (2017)
- Mr Malcolm King (2016)
- Baron Nash of Ewelme (2004)
- Mr Christopher Wright (2006)

### Remuneration Committee:

- Professor Anthony Badger MA PHD (2015)

## COLLEGE SENIOR STAFF

The senior staff of the College to whom day-to-day routine management of the College is permanently delegated were as follows:

<b>President</b>	Prof Steven Cowley (2016 – Resigned July 2018)
<b>President</b>	Dr Helen Moore (July 2018)
<b>Bursar</b>	Mr John Harrison (2012 – Resigned April 2018)
<b>Acting Bursar</b>	Prof Colin McDiarmid (May 2018)
<b>Domestic Bursar</b>	Mr Andrew Rolfe (2014)



## COLLEGE ADVISERS

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### **Investment Managers**

Oxford University Endowment Management (OUem)  
King Charles House  
Park End Street  
Oxford  
OX1 1JD

### **Property Manager**

Bidwells  
Seacourt Tower  
West Way  
Oxford  
OX2 0JJ

### **Auditor**

Critchleys  
Beaver House  
23-38 Hythe Bridge Street  
Oxford  
OX1 2EP

### **Bankers**

Royal Bank of Scotland  
32 St Giles  
Oxford  
OX1 3ND

### **Legal Advisers**

Farrer & Co  
66 Lincoln's Inn Fields  
London  
WC2A 3LH

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## ANNUAL REPORT FOR THE YEAR ENDED 31 JULY 2018

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The Members of the Governing Body present their Annual Report for the year ended 31 July 2018 under the Charities Act 2011 together with the audited financial statements for the year.

### REFERENCE AND ADMINISTRATIVE INFORMATION

The President and Scholars of the College of Corpus Christi in the University of Oxford, which is known as Corpus Christi College, (“the College”) is an eleemosynary chartered charitable corporation aggregate that was founded by Richard Fox, Bishop of Winchester, in 1517.

#### College address

Merton Street  
Oxford  
OX1 4JF

**Website:** [www.ccc.ox.ac.uk](http://www.ccc.ox.ac.uk)

The College registered with the Charities Commission on the 8<sup>th</sup> September 2011 (registration number 1143714).

The names of all Members of the Governing Body at the date of this report, and of those in office during the year, together with details of the senior staff and advisers of the College, are given above.

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Governing documents

The College is governed by its Charter dated 1517, its Statutes, and the associated By-Laws.

#### Governing Body

The Governing Body is constituted and regulated in accordance with the College Statutes, the terms of which are enforceable ultimately by the Visitor, who is the Bishop of Winchester. The Governing Body is self-appointed with new members elected on their academic standing and on their fitness to hold senior office in The University of Oxford (the “University”), or in the College itself.

The Governing Body determines the strategic direction of the College and regulates its administration and the management of its finances and assets. It meets regularly under the chairpersonship of the President and is advised by nine main sub-committees, which include designated college officers, and a number of other committees that meet for specific purposes.

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

Ad hoc advisory appointment committees, which comprise a minimum of three members of the Governing Body, and which report to the full Governing Body, recruit new members. Each new member is inducted into the workings of the College, including Governing Body policy and procedures, by the President and Bursars.

Members of the Governing Body attend external and in-house trustee training and information courses to keep them informed on current issues in the sector and on regulatory requirements.

### Remuneration of Members of the Governing Body

Members of the Governing Body who are predominantly teaching and/or research Fellows receive no remuneration or benefits from their trusteeship of the College. Those trustees that are also employees of the College receive remuneration that is based upon the advice of the College's Remuneration Committee. Members of the Remuneration Committee are Fellows not in receipt of remuneration from the College, and the chairperson is an external appointment generally of an individual possessing knowledge of the education sector and contemporary HR management practice.

### Organizational management

The members of the Governing Body meet nine times a year. Sub-committees that meet on a regular schedule carry out the work of developing policies and monitoring the implementation of these. Over the course of the year, the Committee structure was streamlined and both the Library Committee and the Computing Committee were absorbed into the Academic Committee.

- **The Academic Committee** (nine times yearly) supervises the academic activities of the College, and advises Governing Body on academic strategy.
- **The Finance and Budget Committee** (six times yearly) advises on setting the overall budget and scrutinizes the budgets of and spending within each individual department.
- **Buildings Committee** (three times yearly) advises on the assessment of planned and response maintenance requirements, prioritising proposals for approval. In addition, this Committee oversees major build project proposals and their delivery.
- **The Investment Committee** (three times yearly) reports to the Finance and Budget Committee. It is chaired by the President and is advised by a minimum of



two external financial advisors who assist in the review of investment performance and the scrutiny of investment proposals.

- **Development Committee** (three times yearly) makes recommendations on fundraising and alumni strategy for the College and reports on fundraising performance. It also allocates unrestricted donations made during the year.
- **The Remuneration Committee** (annual) meets under an external independent chairperson, and makes recommendations on the emoluments of senior college staff, and on the routine allowances and stipends paid to Fellows.

The day-to-day running of the College is delegated, by the Governing Body, to the President and Bursars, supported by nominated college officers. The President is ex-officio chairperson of all committees, though where appropriate this task may be delegated to a suitably qualified Fellow.

### Group structure and relationships

The College administers a number of special funds, as detailed in Note 17 to the financial statements. These are kept under constant review and action taken to close or merge funds is taken as required.

The College is part of the collegiate University of Oxford and material interdependencies arise as a consequence of this relationship. The College remains wholly committed to the goals of the wider University and routinely participates in its decision-making structures. Several members of Governing Body also hold senior management as well as academic positions in the University itself.

## OBJECTIVES AND ACTIVITIES

### Charitable Objects and Aims

The College's Objects are to advance education, learning, and research, in particular by providing a college in the University of Oxford called Corpus Christi.

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

- Deliver world-class undergraduate education, regardless of financial background, through rigorous academic selection, using personal and small group tuition within the College together with personal pastoral support;
- Provide an academically diverse environment in which graduate students may mature towards independence in study and research;
- Promote research of the highest quality by Fellows and students for the benefit of wider understanding;
- Make facilities available to other educational bodies to provide educational events and courses;

- Maintain good stewardship of the College's historic buildings and collections which are a part of the nation's heritage; and
- Maintain and enhance the endowments and benefactions for the benefit of future generations while supporting current activities.

### Activities and Objectives of the College

The College's activities are focused on furthering its stated objects and aims for the public benefit. As set down in the founding charter, these are the promotion of study and research principally by providing a close-knit academic community where junior members interact at a personal level with senior teachers who themselves are active in research.

During the year to July 2018, the senior members of the College engaged in primary research in the following disciplines: Medicine, Experimental Psychology, Mathematics, Physics, Biochemistry, Chemistry, Materials Science, Law, Politics, Economics, Latin, Greek, Ancient History, Classical Archaeology, Philosophy, History and English. A full list of members' research publications is available from the College.

Specialists in each of these subjects took the primary responsibility for the teaching and academic welfare of circa 250 undergraduates in the College, through tutorials, classes and lectures. They also acted as advisors and supervisors to the College's postgraduate students, who numbered c. 100. The overall performance of students across the range of subjects was of a very high standard. A list of the overall examination results is available from the College.

The College is a contributor to the Oxford Bursary Scheme, and it also actively manages and delivers internal hardship awards that seek to help students facing unforeseen challenges. The scheme is administered by a welfare support committee. In addition, the College continues to award a number of generous scholarships with awards based upon academic ability.

### Public benefit

The College remains committed to the aim of providing public benefit in accordance with its founding principles. The resident members of the College, both students and academic staff, are the primary beneficiaries and are directly engaged in education, learning and research. Recruitment of staff and students is conducted without regard for financial, social, religious or ethnic background.

In addition to teaching and research, the College continues to provide public benefit by opening its facilities to educational conferences and public literary events, giving external readers access to its archives and rare printed books, offering short-term scholarships and fellowships to visitors from home and abroad, investing substantially in the repair of its historic buildings, and allowing the public access at fixed times to view its buildings, grounds, religious services, and treasures.



Land was made available on long-term and favourable lease terms to a Community Interest Company to establish the Hogacre Common Eco Park. The park is operated to improve understanding of renewable energy and sustainable agriculture. Other College land assets have also been placed at the disposal of the local community in Eynsham to provide open access sports and recreation areas for the benefit of the local community.

In the last year, the College has continued to be involved with the Environment Agency concerning the proposed Oxford Flood Relief Channel, with the aim of mitigating the detriment to our land and disruption to the tenant farmer. In this work, we are working in concert with the Oxford Preservation Trust.

Recruitment to the College is conducted purely upon merit and potential, with students and staff recruited from across the UK and internationally. There are no age restrictions on students although students are predominantly in the age range 18 to 24 years. There are no religious restrictions, and members of the College are drawn from a wide range of faith traditions or indeed none.

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## ANNUAL REVIEW OF ACHIEVEMENTS AND PERFORMANCE

### President's Perspective

The 2017-18 year began with a continuation of the marking of the College's 500<sup>th</sup> anniversary year. The celebrations included a conference on the history of Britain at the time of the College's foundation, the spectacular Quincentenary Alumni Ball, and a superb recital by world-famous tenor, Ian Bostridge in the Sheldonian Theatre.

The College's intellectual foundations remain strong and we welcomed four new fellows, whose presence will strengthen teaching and research in science and the humanities. Our academics continue to win honours and prizes reflecting the quality of scholarship produced by the College and the influence of our ideas. The student body demonstrates real academic strength and appetite and our junior members have won several major prizes. Stress levels reported among students has increased noticeably in recent years and, in response, our teaching and welfare staff have provided additional support. Indeed, in surveys Corpus students express high levels of overall satisfaction with the College and its staff.

Corpus, and Oxford as a whole, have been criticised in the press for not attracting more students from underrepresented groups. The College has for many years been engaging with such students, especially in our designated outreach area in the northwest. We have just completed another North West Science Network Summer School, attended by Year 12 school students. The Summer School has the simple purpose of raising aspirations in scientifically inclined young people. However, we are not complacent. Corpus is determined to increase the proportion of students from underrepresented groups and we are supporting a range of projects designed to achieve this. See the notes on Outreach and Admissions below for more details on this and other endeavours.

Government support for the humanities has diminished substantially over recent years. To address this issue, the College has been actively raising money from its donor base to support graduate scholarships and junior research fellowships. Without external support the quality of our teaching and research in the humanities cannot be maintained. This year our Development team have raised over £2.1 million to fill the gap, reflecting real progress in this area. At the time of writing, I am about to step down as President of the College to return to a leadership role in international science. I am delighted to report that Dr Helen Moore, a fellow of 20 years' standing, has been appointed Acting President. I leave knowing that the College is in very capable hands.

### Academic Performance

We have continued to maintain a strong performance at FHS this year with just over a third of finalists achieving a 1<sup>st</sup> class degree. As previously, our students also won a significant number of university prizes.

Year	FHS results			
	1 <sup>st</sup>	2(I)	2(II)	3 <sup>rd</sup>
2018	24	40	1	2
2017	22	43	1	-
2016	23	40	6	-
2015	23	36	6	1
2014	20	44	2	-

University prizes: Arnold Ancient History Prize for the best thesis in Ancient History; Biochemistry Gibbs Prize (book prize); Biochemistry Paper III Prize; Turbutt Prize for 1<sup>st</sup> year Practical Organic Chemistry; 1<sup>st</sup> de Paravicini Prize for performance in Latin papers in the FHS; Armourers and Brasiers' Company/TATA Steel Prize for best design project; Department of Statistics Prize for the best performance in Part B and the Society for Endocrinology Undergraduate Achievement Award.

A quarter (18 out of 71) of those sitting the FPE obtained a distinction/first.

Special mention should go to the Physics students (and their tutors) who achieved 5 firsts out of 6 in the Part C (fourth year) examination – a fantastic achievement and also to the Materials students (and tutors) who achieved 3 firsts out of 4 in their Part II.

The College continues its quietly determined campaign to encourage academic excellence, to support those students who find it difficult to cope with the peculiar pressures of the Oxford system, and to ensure that the diverse non-academic avocations which are such an important part of the undergraduate experience are kept in their proper perspective. All our students who achieved a First Class degree last year were invited to the Scholars' Dinner this year, which continues to be very well received. Tutors are now also encouraged to invite students graduating the previous year to any annual subject dinners held during the year.

As noted in the last few years, the number of students who are struggling to cope with the pressures of university life remains high. We saw a lower number of students suspending on medical grounds compared to previous years. In addition, four students sat some/all of their exams in College, eighteen students had some form of other alternative exam arrangement and twenty students made factors affecting performance submissions (almost all on health grounds) after sitting their exams.

The issue that has dominated in the external press over the year has been the number of students from ethnic, particularly black, backgrounds gaining places at Oxford. More information on this issue relating to Corpus is contained in the Tutor for Admissions report. The College has appointed an Equality and Diversity Fellow to



lead on all aspects of equality in relation to current students and staff, and also in relation to prospective students.

### **Outreach and Admissions: achievements, challenges and notable initiatives**

The College aims to widen participation in Higher Education and broaden access to the University of Oxford. Our academic outreach programme led by Prof Nellist, The North West Science Network, has again engaged with 600+ students through lectures, workshops, and lab visits in the North West, and in June, 25 students attended a five day residential in Oxford. In 2018/19, we will be expanding this Key Stage 5 programme to include Key Stage 4 events.

A new initiative, the Ancient World Series, was piloted this year. Dr Gartland ran a series of Classics seminars in Loreto Sixth Form College, Manchester for Year 12 students from a number of local state schools, and a Classics residential in Corpus for 15 of these students. For the second year, Prof Dyson ran two Law Outreach programmes: an essay competition culminating in a day of workshops for 15 candidates, and an overnight programme of legal workshops for 50 Year 12 students. We have doubled the capacity of the residential activity since last year by collaborating with Pembroke.

We have developed JCR and student involvement in outreach. Subject Ambassadors are invaluable to the success of the Open Days and interview period and are the primary contacts for prospective students at these events. Access Volunteers, a new role introduced this year, are students who have undergone training to be able to participate in school visits. The students are crucially important in helping to make Oxford and Corpus much more accessible to link school students.

In the 2017/2018 admissions cycle, Corpus made a total of 84 offers. The number of direct applicants continued to increase. At Corpus, success rates stratified by gender and domicile were broadly similar to rates recorded across the University. The release, for the first time, of detailed admissions statistics by the University demonstrated Corpus's applicant figures in relation to university averages, in terms of applicant disadvantage, school type, gender, ethnicity and domicile. A challenge for the College was the negative press coverage this generated, which highlighted in particular the very low numbers of applications received from black UK students compared to other colleges. The report provides evidence for key areas for improvement and will inform the College's longer-term access strategy, currently under development this summer. The College has increased its efforts in evaluation and data monitoring, the details of which are available in the College's 2018 Outreach Report, available on the College website.

### **Domestic Bursar's Report**

This year has been split dramatically between the completion of the Quincentenary celebrations prior to December 2017 and the return to more routine business in 2018. As a result the usual summer works programme was severely curtailed within the main College site but we did complete the external refurbishment at the Liddell site during summer 2017. The central quad of College was dominated during August



and September by a large transparent marquee in which most of the later Quincentenary events took place, including the Alumni Ball and the Staff family party. Despite the commitment to the Quincentenary, time available between these events was carefully used to host some conferences and some minor maintenance of other outside properties took place. There was a return to a more routine year from January, and this saw more concentration on the normal academic tasks of the College, and a plan to get to a normal conferencing and maintenance season for summer 2018. There will be a several projects on the go this summer including a refurbishment of 7 Magpie Lane accommodation as part of an ongoing plan to update and modernise the student bedrooms. In addition the JCR will receive a complete overhaul and we continue to design and prepare for the kitchen overhaul, most of which is scheduled for summer 2019 but some enabling works will take place in summer 2018. The College staff continue to perform at a very high standard and turnover is very low. The largest cause of people leaving the College remains retirement, and this stability in employment has a calming influence and gives the College immense experience.

### Conferences

Conference and function turnover for 2017/18 amounted to £889k, an increase of £136k on the budgeted forecast and slightly up on the 2016/17 actual turnover figure. The budgeted figure included an estimated loss of conference income due to the planned Quincentenary events in 2017, however, the reduction in income was less than anticipated– this is attributable partly to the cancellation of some Quincentenary events and the agility of the conference team to be able to fill those spaces at short notice. College continues to host a number of large, regular conferences and is seeing competition for our services among many other providers – in particular the competition for the Easter, July and early August periods is proving fierce. The improving standards of our accommodation and the resurrection of a kitchen at the Liddell site has increased demand for our facilities. The anticipation is therefore that occupancy and revenue from this activity will rise once the effect of the Quincentenary has left the accounts.

### Buildings

Maintenance work in the last 12 months has mainly been restricted to the outside properties in order to keep the central site clear for Quincentenary activity. All the works planned for the financial year and contained in last year's report have been completed successfully. The main projects for the coming financial year will be the rejuvenation of 7 Magpie Lane student accommodation, and a complete refurbishment of the JCR which will include the provision of a self-service coffee shop. We will be undertaking the first phase of replacing our man-safe systems around the College roofs allowing safer access and better ongoing maintenance, re-ventilating the bathrooms at the Liddell buildings, renovating the bathrooms of the Fellows and Beam Hall guest rooms, the early phases of the Kitchen refurbishment in order to minimise the disruption for 2019, and some redecoration of various elements of the student accommodation around the City and the external decoration of the president's lodgings. Finally, following the restoration of the Chapel in 2016 we

will be undertaking some work on the Chapel organ to complete the overhaul of the Chapel.

## Development

During this period the Development Office sought to build on the goodwill generated among potential donors through the Quincentenary celebrations of the first half of the financial year. The reduction in activities around events in the second half allowed for a greater focus on major gifts with a resulting increase in major donations, including one of £975k to fund a junior research fellowship in Comparative Aesthetics and £1m assigned by a family foundation in the United States to fund a package of graduate scholarships in the Humanities.

Although, in terms of our staffing levels, we remain one of the smallest development offices in Oxford, we continue to produce good returns in terms of fundraising income, especially when measured over cost. The total amount of new donations received during the year was 68% up on 2016/17 at £2.83m (£1.62m).

Much time was taken up in preparing for the introduction of the General Data Protection Regulations which came into force in May. Thanks to some last-minute legislative changes, we were able to make the transition without any major disruption to our activities.

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## FINANCIAL REVIEW

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In the financial year ending 31 July 2018 circa, £1.2m was expended in maintaining our operating infrastructure and delivering some exceptional enhancement to the estate driven by our 2018 aspirations.

The incoming resources for the year totalled £8.1m (2017, £7.4m), comprising:

- £4.2m from core charitable activities (2017 £4m)
- Direct income from the endowment of £1.8m (2017, £1.7m)
- In year, charitable donations of £2.1m (2017, £1.6m)

Total operating costs for the year amounted to £9.2m (2017, £8.5m), comprising:

- £7.7m of direct expenditure on core charitable activities (2017, £7.1m).
- As planned and expected in this year which included part of the Quincentenary, fundraising (Development) costs amounted to £443k (2017, £557k)
- Investment Management costs were £1.1m (2017, £770k). However this sum includes £798k of interest payments in respect of the Private Placement.

### Investment Performance Review 2017/2018

As of 31 July 2018, the Corpus Christi endowment, excluding Pate Charity assets, was valued at £147m compared to £139m end of FY 16/17.

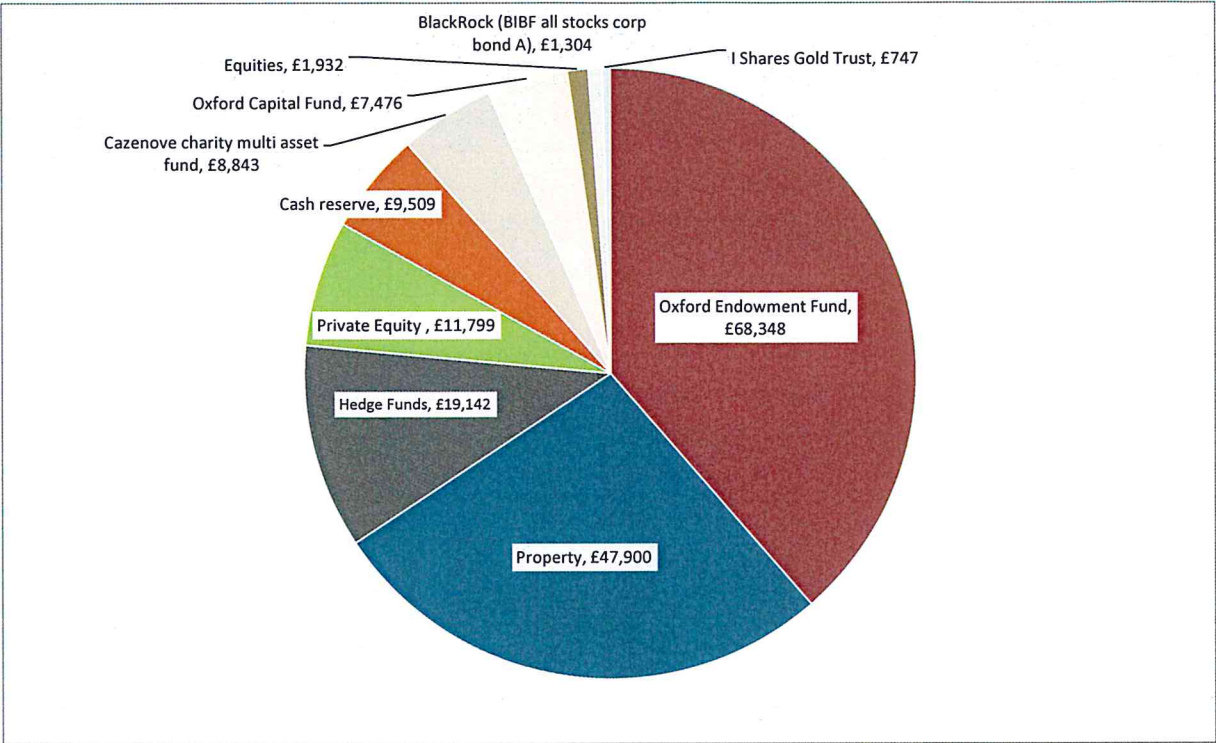
Overall, the portfolio delivered a net return of 5.8%. This was below the Net Return Requirement for the year which was close to 7%. Over three years the Endowment has delivered an annual average return of 8%, exceeding the NRR over the period. The College retains a large historic landed estate that is principally agricultural land and low yielding. Our yearly performance is influenced by the periodic revaluation of this estate and following a strong year for revaluation in 2016/17, the estate only rose in value by 2.4% this year creating a significant drag for the overall portfolio. In total, the Endowment increased in value by £9m after the sustainable spending rate transfer of £3.8m (less investment management costs) to the in-year income account.

Including the end of year Pate Charity valuation gives a total managed endowment value of £161m.

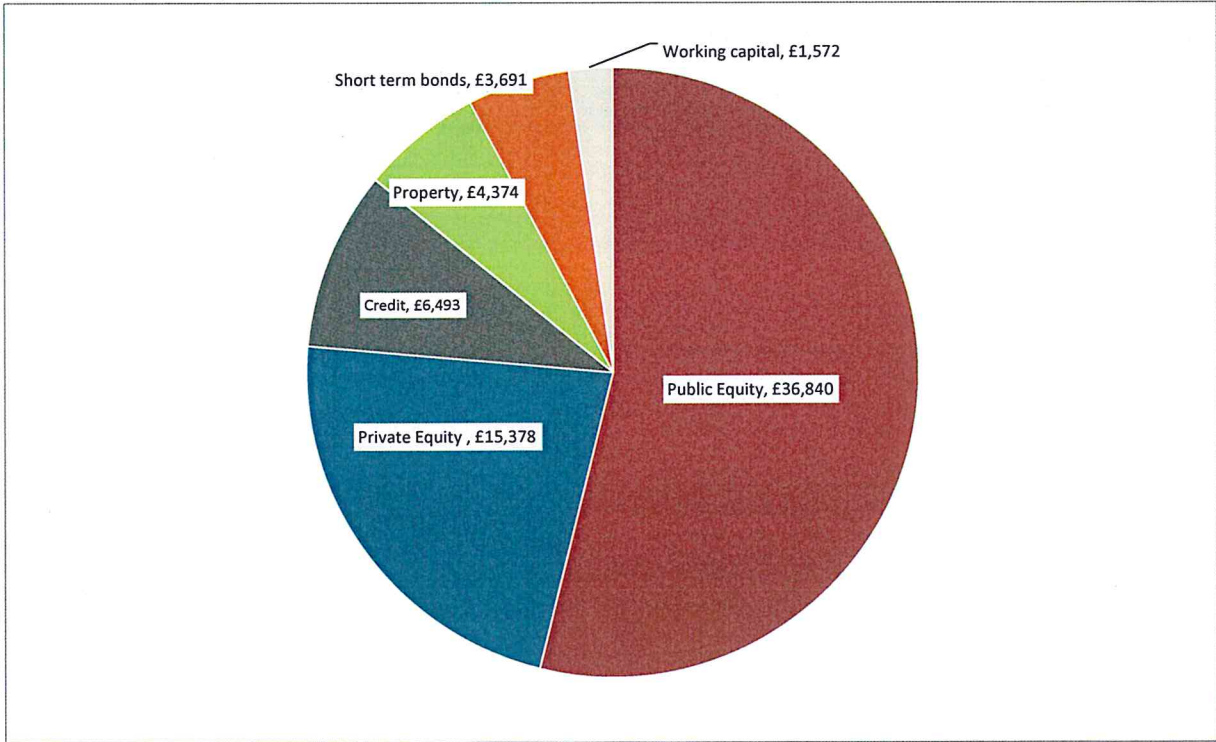


As at 31 Jul 2018 the College endowment was structured as follows:

(Figures shown in £000s)

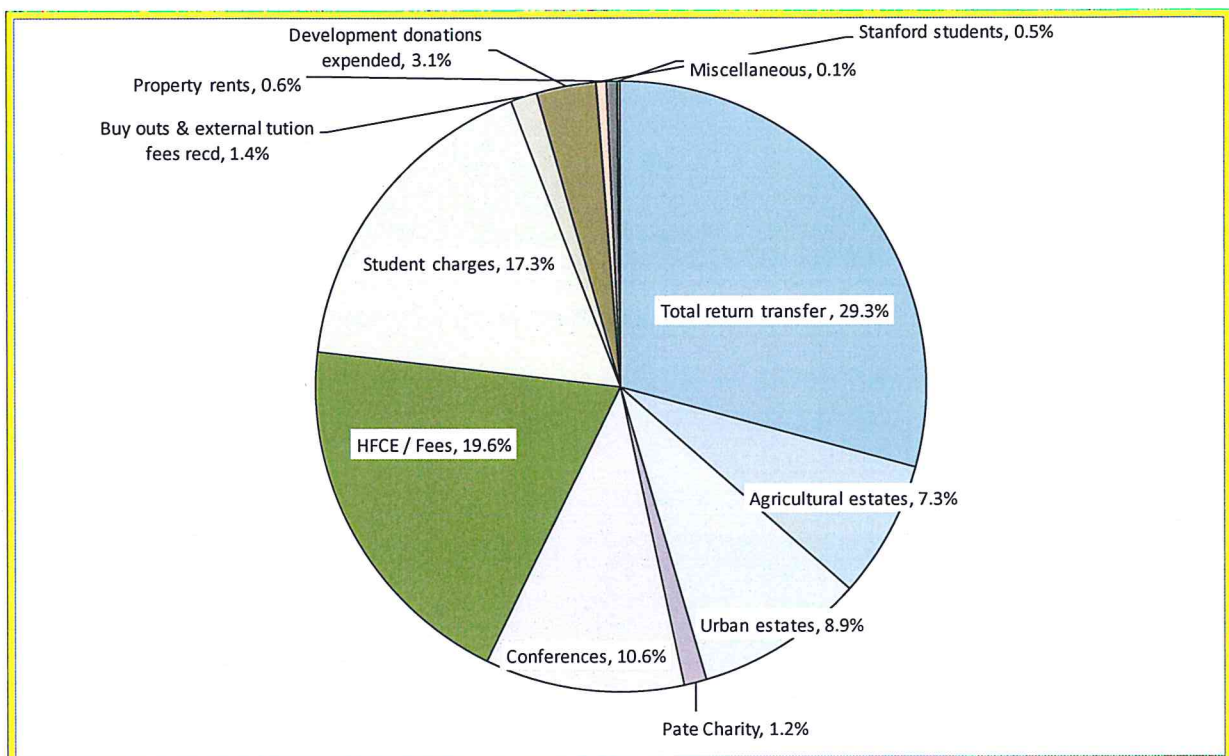


The asset allocation for the Oxford Endowment Fund, as at 31 July 2018, is illustrated below.



Once again our endowment has proved sensibly configured to weather the increasingly volatile and unpredictable 'norms' of the capital markets in the Trump era. The outcomes achieved placed us very much in the top performance percentiles of similar institutional endowments. Our policy is a continued focus upon diversification across the available range of asset classes, using OUem as well as the exploitation of in-house knowledge to target global high return opportunities using our directly managed portfolio advised by the Investment sub Committee.

To place the use of our endowment derived returns into context the chart below indicates the precise sources of college income across the year:



We remain immensely grateful for the selfless engagement, and energy of our Investment Committee. Their active participation in portfolio decision making, fact finding, pipeline management, and the analysis and execution of increasingly complex property development opportunities is of immense value to the College.

#### Pate Charity Endowment

As of 31 July 2018, the Pate Charity endowment was valued at £13.7m compared to £13m in 2017.

Overall the portfolio produced a net return of 5% set against the agreed target return of 7%. In this case the performance achieved includes the property valuation which



showed only a marginal increase. The net gain of £0.7m remains after the sustainable spending rate transfer of £400k (less investment management costs) to the in-year income account.

The Pate Charity endowment has been invested in the OUem multi-asset class portfolio in an effort to exploit the excellent returns achieved and minimise management costs. This action has been an important component in elevating the returns obtained and retained by Pate Charity.

As 31 July 2018 the open market value of the freehold interest of the properties held is £5.5m (2017 £5.3m) Sales will be made on an opportunity basis as we drive down the property allocation closer to 40%. Gross rents collected were £340k, representing a gross rental return on value of 6.25%.

### Property Portfolio

During the accounting period, we have continued in our efforts to improve the overall quality and strategic focus of our management of our Oxford buildings. However, the level of works undertaken in 2017 had been deliberately reduced as we celebrated our 500<sup>th</sup> year. A notable achievement was the completion of our Chapel refurbishment on time and at the intended cost. This exciting project also delivered important improvements in our understanding of the Chapel and its many artefacts. Curators were commissioned to record detailing of roof bosses that had been lost to years of grime and the excellent reports are now a very welcome addition to our archives.

We continue to work on a rolling schedule of works to ensure the operational estate continues to provide an appropriately modern and efficient living and working environment despite the historic nature of much of our estate.

In addition, we have continued to actively pursue several land development opportunities either in isolation or in a College inspired consortium of owners. Work on our Long Hanborough site was completed with a very successful sale and our North Eynsham Garden Village concept continues to move forward.

A major challenge for the College remains the availability of affordable housing for academic staff in Oxford. The housing affordability problem is increasingly proving to be a factor both in recruitment negotiations and in seeking to retain academic staff. Corpus is not alone in this concern, and we have expressions of interest from other colleges who would like to see a suitable solution embedded in our development sites. We see provision of such a long-term solution preferable to further shared equity schemes or similar.

Mineral extraction prospects are being explored although many of these opportunities will take up to 15 years to deliver the hoped-for windfall returns and must of course be sensitive to the natural environment.

## Investment objectives and Capital Markets view.

The College's strategic 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.

The Investment Committee continuously monitors the investment strategy, policy, and performance of the College's funds.

At the year-end, the College's long-term investments, combining the securities and property investments, totalled £191m up from £185m in July 2017 (note this sum includes the 'D' Fund borrowing of £30m).

In accordance with the spending rule, 3.5% of the rolling average five year value of the securities investments net of investment management costs was distributed by the endowment as income amounting to £3.8m for this accounting period.

Volatility and fragility in the global financial markets as well as political risks remain an ongoing concern. We consider the outlook uncertain with the long-term impact of BREXIT and the fragmentation and erosion of supranational government bodies a particular area of risk for global economies and financial markets.

Accordingly, the Investment sub-Committee remains focused on the potential for financial shocks and is mindful of the College's increasing dependence upon endowment revenues to cover operating costs. The College continues to value diversification, particularly through its landed estate and private equity investments. Fellows are aware of the long-term impact of increased reliance upon the endowment and conference revenues in underwriting our primary charitable purposes.

## Investment Policy

To meet the declared investment objectives investments are managed on a total-return basis, maintaining diversification across a range of asset classes, geographies and styles in order to produce an appropriate balance between risk and return. In line with charity law, College statutes allow the College to invest permanent endowment to maximise the total return and to make available for expenditure an appropriate proportion of the unapplied total return each year.

**Time Horizon.** The Statutes of CCC demand that Trustees take a long-term view that seeks operating capability in perpetuity.

**Endowment in Perpetuity.** In sustaining CCC the purpose of the endowment, and hence the role of the appointed Investment sub-Committee is to secure the long-term viability and standing of the College as a globally renowned and respected centre for learning and research. To do this a balance is struck between short term spending,



the need for sustained real spending power and the volatility that can arise from an overly aggressive portfolio. Central to maintaining this balance is the use of a 'spending rule' that seeks to sustain real growth in the endowment with a greater than 60% probability.

**Spending Rule.** Following the annual review of market return expectations in May 2015 it was decided that the Sustainable Spending Rate should remain at 3.5% and the earlier Yale derived model simplified so that the calculation is now as follows: five year rolling average year end value of portfolio x sustainable spending rate.

**Return Objective & Net Return Requirement.** The Return Objective is calculated to preserve and, if possible, enhance the purchasing power of the endowment, after all operating costs and sustaining the expenditure level defined by the spending rule. This is expressed numerically in the Net Return Requirement (NRR)<sup>1</sup> which is calculated as follows:

NRR = Educational Cost Inflation (average of previous year's CPI + 1%) + Sustainable Spending Rate. The Total Investment Return is calculated by summing in year income and capital growth. For the 2017/18 period the NRR = 7%.

**Measurement Periods.** Given the goal of operating in perpetuity, the performance of the investment strategy relative to its return and risk objectives will be evaluated over rolling five-year periods. The performance of the portfolio relative to the portfolio benchmark, and the performance of the individual asset class strategies and directly held funds is reviewed regularly by the Investment sub-Committee.

**Investment Sub-Committee.** The Investment Sub-Committee is appointed by the Finance & Budget Committee, and is charged with directing the management of the endowment in order to preserve and, if possible, enhance the purchasing power of the endowment, after allowing for all costs and the agreed target levels of expenditure. Meetings are 3 times per year, and are routinely addressed by an OUem representative.

An annual strategic review of performance and future goal setting is held each May. During that meeting, a complete review of the Investment Policy Statement and strategic investment stances such as hedging policy is completed.

Members of the Investment sub-Committee are subject to the College's Conflicts of Interest policy to ensure that real or perceived conflicts are properly declared and managed where required.

**Currency Hedging.** The externally managed portion of the portfolio delegated to OUem is hedged back to sterling in line with their policy. The direct portion of the Endowment is currently unhedged but this policy is monitored and subject to review and change should the macro environment alter.

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<sup>1</sup> Net of all portfolio management fees and custodial costs.

**Holding Limitations and Risk.** The Endowment does not typically hold more than 1% of the market capitalisation of any investment within an individual portfolio as a matter of policy. Gifts of securities are also subject to this policy though the Investment sub-Committee may exceptionally decide retain a larger 'legacy' holding as long as the overall risk parameters of the portfolio remain within expected norms.

**'Ethical' Policy:** Investments are not permitted if they contradict the stated objectives and charitable purposes of the College, could result in a loss of financial support or have the potential to harm the College's good standing and reputation.

### Reserves Policy

The College's reserves policy is to maintain sufficient reserves to enable it to meet its short-term financial obligations in the event of an unexpected revenue shortfall or financial shock.

Total funds of the College at the year-end amounted to £179m (2017 £169m). This includes Endowment funds of £161m and restricted funds totalling £2m. Unrestricted funds at the year-end amounted to £16m (2017 £16m). This includes an amount of £13m (2017 £13m) for the book value of tangible fixed assets.

There is a designated reserve retained for the New Library and Archive Centre. During the early planning phases of this project Governing Body capped the in-house funding of the build at £2m. With investment gains the reserve now stands at £2.3m (2017 £2.2m).

The College retains an undesignated general reserve which at year end was £1m (2017 £1m).

### Risk Management

The College routinely evaluates and actively manages the principal risks and uncertainties faced by the College. When we are unable to assess risks using internal resources, we seek specialist advice. All policies and procedures used within the College are regularly reviewed by the relevant Committees. Financial risks are assessed by the Finance & Budget Committee and investment risks are monitored by the Investment Sub-Committee. In addition, the Domestic Bursar and Heads of Department meet regularly to review health and safety issues. The College employs a Health & Safety Officer to ensure compliance with health and safety legislation and to ensure that College remains a safe place of work and study. Training courses and other forms of career development are available, and the advent of formal personal development reporting is set to enhance staff skills particularly in risk-related areas.

The Governing Body, who have ultimate responsibility for managing risk, have reviewed the processes in place and have concluded that adequate systems and alleviation measures are in place.



## STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES

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

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

Under charity law the Governing Body must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the College and of its net income and 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 disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the College will continue to operate.

The Governing Body is responsible for keeping proper accounting records that are sufficient to show and explain the College's transactions and disclose with reasonable accuracy at any time the financial position of the College and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the College and ensuring their proper application under charity law and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Governing Body on the 17<sup>th</sup> October 2018 and signed on its behalf by:

Dr Helen Moore MA DPhil

President

## REPORT OF THE AUDITORS

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### Independent auditor's report to the Governing Body of Corpus Christi College

#### Opinion

We have audited the financial statements of Corpus Christi College (the "Charity") for the year ended 31 July 2018 which comprise the Statement of Accounting Policies, the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes numbered 1 to 28. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 July 2018 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Governing Body use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Governing Body have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The Governing Body are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements



and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Matters on which we are required to report by exception**

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

- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

### **Responsibilities of the Governing Body**

As explained more fully in the Governing Body responsibilities statement [set out on page 25], the Governing Body is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governing Body is responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governing Body either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of our Report**

This report is made solely to the College's Governing Body in accordance with section 144 of the Charities Act 2011 and the regulations 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.

*Critchleys Audit LLP (Statutory Auditor)*  
*23-28 Hythe Bridge*  
*Oxford*  
*OX1 2EP*

*Date: 5<sup>th</sup> November 2018*

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



## STATEMENT OF ACCOUNTING POLICIES

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### 1. Scope of the financial statements

The financial statements present the Consolidated Statement of Financial Activities (SOFA), the Consolidated and College Balance Sheets and the Consolidated Statement of Cash Flows for the College.

### 2. Basis of accounting

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

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

The 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. In the view of the Governing Body, in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements.

In the view of the Governing Body, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

### 4. Income recognition

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

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

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

## **b. Income from donations, grants and legacies**

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

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

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

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

## **c. Investment income**

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

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

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

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

## **5. Expenditure**

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

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



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

Support costs which 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.

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

## **6. Leases**

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

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

## **7. Tangible fixed assets**

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

Expenditure on the acquisition or enhancement of land and on the acquisition, construction and enhancement of buildings which is directly attributable to bringing the asset to its working condition for its intended use and amounting to more than £75,000 together with expenditure on equipment costing more than £25,000 is capitalised.

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

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

## 8. Depreciation

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

Freehold properties, including major extensions	50 yrs
Leasehold properties	50 yrs or period of lease if shorter
Building improvements	25 years
Equipment	5 years

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

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

## 9. Heritage Assets

The College has 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**

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 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**

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

Transactions denominated in foreign currencies during the year are translated into pounds sterling using the spot exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into pounds sterling at the rates applying at the reporting date. Foreign exchange gains and losses resulting from the settlement of transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the exchange rates at the reporting date are recognised in the income and expenditure section of the SOFA [except when deferred and initially credited or charged in 'other recognised gains and losses' as qualifying cash flow hedges].

## **14. Total Return investment accounting**

The College statutes authorise the College to adopt a 'total return' basis for the investment of its permanent endowment. The College can invest its permanent endowments without regard to the capital/income distinctions of standard trust law and with discretion to apply any part of the accumulated total return on the investment as income for spending each year.

Until this power is exercised, the total return is accumulated as a component of the endowment known as the unapplied total return that can be either be retained for investment or release to income at the discretion of the Governing Body.

## **15. Fund accounting**

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

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

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

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

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

## **16. Pension costs**

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

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



**Corpus Christi College**  
**Consolidated Statement of Financial Activities**  
**For the year ended 31 July 2018**

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2018 Total £'000	2017 Total £'000
<b>INCOME AND ENDOWMENTS FROM:</b>						
<b>Charitable activities:</b>						
Teaching, research and residential	1	4,241	-	-	4,241	4,019
Donations and legacies	2	1	648	1,413	2,062	1,604
<b>Investments</b>						
Investment income	3	3	-	1,748	1,751	1,740
Total return allocated to income	12	3,115	898	(4,013)	-	-
Other income		-	-	-	-	-
<b>Total income</b>		<b>7,360</b>	<b>1,546</b>	<b>(852)</b>	<b>8,054</b>	<b>7,363</b>
<b>EXPENDITURE ON:</b>						
<b>Charitable activities:</b>						
Teaching, research and residential		6,457	1,162	-	7,619	7,131
<b>Generating funds:</b>						
Fundraising		442	-	-	442	557
Trading expenditure		-	-	-	-	-
Investment management costs		1	-	1,078	1,079	770
<b>Total Expenditure</b>		<b>6,900</b>	<b>1,162</b>	<b>1,078</b>	<b>9,140</b>	<b>8,458</b>
<b>Net Income/(Expenditure) before gains</b>		<b>460</b>	<b>384</b>	<b>(1,930)</b>	<b>(1,086)</b>	<b>(1,095)</b>
Net gains/(losses) on investments	10, 11	-	-	10,444	10,444	23,479
<b>Net Income/(Expenditure)</b>		<b>460</b>	<b>384</b>	<b>8,514</b>	<b>9,358</b>	<b>22,384</b>
<b>Transfers between funds</b>	16	-	-	-	-	-
<b>Net movement in funds for the year</b>		<b>460</b>	<b>384</b>	<b>8,514</b>	<b>9,358</b>	<b>22,384</b>
Fund balances brought forward	16	15,977	1,300	152,192	169,469	147,085
<b>Funds carried forward at 31 July</b>		<b>16,437</b>	<b>1,684</b>	<b>160,706</b>	<b>178,827</b>	<b>169,469</b>

**Corpus Christi College**  
**Consolidated and College Balance Sheets**  
**As at 31 July 2018**

		2018	2017
	Notes	£'000	£'000
<b>FIXED ASSETS</b>			
Tangible assets	8	13,455	13,120
Heritage assets	9	-	-
Property investments	10	53,375	51,751
Other Investments	11	141,026	132,791
<b>Total Fixed Assets</b>		<b>207,856</b>	<b>197,662</b>
<b>CURRENT ASSETS</b>			
Stocks		202	207
Debtors	13	523	544
Cash at bank and in hand		2,421	4,058
<b>Total Current Assets</b>		<b>3,146</b>	<b>4,809</b>
<b>LIABILITIES</b>			
Creditors: Amounts falling due within one year	14	1,596	2,403
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<b>1,550</b>	<b>2,406</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>209,406</b>	<b>200,068</b>
<b>CREDITORS: falling due after more than one year</b>	15	<b>30,000</b>	<b>30,000</b>
<b>NET ASSETS/(LIABILITIES) BEFORE PENSION ASSET OR LIABILITY</b>		<b>179,406</b>	<b>170,068</b>
Defined benefit pension scheme liability	20	579	599
<b>TOTAL NET ASSETS/(LIABILITIES)</b>		<b>178,827</b>	<b>169,469</b>
<b>FUNDS OF THE COLLEGE</b>			
Endowment funds	16	160,706	152,192
Restricted funds	16	1,684	1,300
<b>Unrestricted funds</b>			
Designated funds	16	15,713	15,339
General funds	16	1,303	1,237
Pension reserve	20	(579)	(599)
		<b>178,827</b>	<b>169,469</b>

The financial statements were approved and authorised for issue by the Governing Body of Corpus Christi College on 17 October 2018.

Trustee:

Trustee:



**Corpus Christi College**  
**Consolidated Statement of Cash Flows**  
**For the year ended 31 July 2018**

	Notes	2018 £'000	2017 £'000
<b>Net cash provided by (used in) operating activities</b>	23	<u>(4,811)</u>	<u>27,651</u>
<b>Cash flows from investing activities</b>			
Dividends, interest and rents from investments		1,751	1,740
Proceeds from the sale of property, plant and equipment		-	195
Purchase of property, plant and equipment		(575)	-
Proceeds from sale of investments		5,435	7,304
Purchase of investments		(4,850)	(35,290)
<b>Net cash provided by (used in) investing activities</b>		<u>1,761</u>	<u>(26,051)</u>
<b>Cash flows from financing activities</b>			
Receipt of endowment		1,413	432
<b>Net cash provided by (used in) financing activities</b>		<u>1,413</u>	<u>432</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>(1,637)</u>	<u>2,032</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		4,058	2,026
<b>Change in cash and cash equivalents due to exchange rate movements</b>		-	-
<b>Cash and cash equivalents at the end of the reporting period</b>	24	<u>2,421</u>	<u>4,058</u>

Corpus Christi College  
Notes to the financial statements  
For the year ended 31 July 2018

1 INCOME FROM CHARITABLE ACTIVITIES

	2018 £'000	2017 £'000
<b>Teaching, Research and Residential</b>		
Unrestricted funds		
Tuition fees - UK and EU students	1,218	1,018
Tuition fees - Overseas students	262	385
Other fees	46	56
Other HEFCE support	165	151
Other academic income	160	124
College residential income	2,390	2,285
<b>Total Teaching, Research and Residential</b>	<u>4,241</u>	<u>4,019</u>
<b>Total income from charitable activities</b>	<u>4,241</u>	<u>4,019</u>

The above analysis includes £1096k received from Oxford University from publicly accountable funds under the CFF Scheme (2017: £1060k).

Under the terms of the undergraduate student support package offered by Oxford University to students from lower income households, the college share of the fees waived amounted to £4k (2017: £13k). These are not included in the fee income reported above.

2 DONATIONS AND LEGACIES

	2018 £'000	2017 £'000
<b>Donations and Legacies</b>		
Unrestricted funds	1	-
Restricted funds	648	1,172
Endowed funds	1,413	432
	<u>2,062</u>	<u>1,604</u>

3 INVESTMENT INCOME

	2018 £'000	2017 £'000
<i>Unrestricted funds</i>		
Bank interest	3	1
	<u>3</u>	<u>1</u>
<i>Endowed funds</i>		
Agricultural rent	610	606
Commercial rent	751	751
Other property income	340	342
Equity dividends	47	34
Interest on fixed term deposits and cash	-	6
	<u>1,748</u>	<u>1,739</u>
<b>Total Investment income</b>	<u>1,751</u>	<u>1,740</u>



Corpus Christi College  
Notes to the financial statements  
For the year ended 31 July 2018

4 ANALYSIS OF EXPENDITURE	2018	2017
	£'000	£'000
<b>Charitable expenditure</b>		
Direct staff costs allocated to:		
Teaching, research and residential	3,757	3,631
Other direct costs allocated to:		
Teaching, research and residential	2,766	3,139
Support and governance costs allocated to:		
Teaching, research and residential	1,096	361
<b>Total charitable expenditure</b>	<u>7,619</u>	<u>7,131</u>
<b>Expenditure on raising funds</b>		
Direct staff costs allocated to:		
Fundraising	265	251
Trading expenditure	-	-
Investment management costs	-	-
Other direct costs allocated to:		
Fundraising	165	321
Trading expenditure	-	-
Investment management costs	274	265
Private placement fees and interest	804	505
Support and governance costs allocated to:		
Fundraising	12	(15)
Trading expenditure	-	-
Investment management costs	1	-
<b>Total expenditure on raising funds</b>	<u>1,521</u>	<u>1,327</u>
<b>Total expenditure</b>	<u>9,140</u>	<u>8,458</u>

The 2017 resources expended of £8,458k represented £6,347k from unrestricted funds, £1,341k from restricted funds and £770k from endowed funds.

The increase in fundraising expenditure was primarily due to the College's Quincentenary celebrations which had included two major exhibitions of the College's library treasures in Washington DC and New York City.

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 £100k (2017 - £81k).

	2018	2017
	Total	Total
	£'000	£'000
Included within the resources expended above are:		
Stock recognised as an expense in the year	5	(13)

Corpus Christi College  
Notes to the financial statements  
For the year ended 31 July 2018

5 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

	Generating Funds £'000	Teaching and Research £'000	2018 Total £'000
Financial administration	12	626	638
IT	-	201	201
Depreciation	-	239	239
Loss/(profit) on fixed assets	-	-	-
Other finance charges	(1)	(18)	(19)
Governance costs	2	48	50
	<b>13</b>	<b>1,096</b>	<b>1,109</b>

	Generating Funds £'000	Teaching and Research £'000	2017 Total £'000
Financial administration	10	493	503
Domestic administration	-	-	-
Human resources	-	-	-
IT	-	156	156
Depreciation	-	261	261
Loss/(profit) on fixed assets	-	(104)	(104)
Bank interest payable	-	-	-
Other finance charges	(25)	(481)	(506)
Governance costs	-	36	36
	<b>(15)</b>	<b>361</b>	<b>346</b>

Financial and domestic administration, IT and human resources costs are attributed according to [the estimated staff time spent on each activity].  
Depreciation costs and profit or loss on disposal of fixed assets are attributed according to [the use made of the underlying assets].  
Interest and other finance charges are attributed according to [the purpose of the related financing].  
Governance costs are allocated to the core charitable activity of tuition.

	2018 £'000	2017 £'000
<b>Governance costs comprise:</b>		
Auditor's remuneration - audit services	15	15
Auditor's remuneration - other services	5	5
Other governance costs	30	16
	<b>50</b>	<b>36</b>

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

6 GRANTS AND AWARDS

2018 £'000	2017 £'000
---------------	---------------

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

**Unrestricted funds**

Grants to individuals:

Scholarships, prizes and grants	118	117
Bursaries and hardship awards	119	117
<b>Total unrestricted</b>	<b>237</b>	<b>234</b>

**Total grants and awards**

<b>237</b>	<b>234</b>
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The figure included above represents the cost to the College of the Oxford Bursary scheme. Students of this college received £141k (2017: £152k). Some of those students also received fee waivers amounting to £4k (2017: £13k).



Corpus Christi College  
Notes to the financial statements  
For the year ended 31 July 2018

7 STAFF COSTS	2018	2017
	£'000	£'000
The aggregate staff costs for the year were as follows.		
Salaries and wages	3,789	3,604
Social security costs	329	291
Pension costs:		
Defined benefit schemes - contributions in year	525	(40)
Defined benefit schemes - movement in provision	(20)	21
Compensation for loss of office	46	-
	<u>4,669</u>	<u>3,876</u>

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

	2018	2017
Tuition and research	3	2
College residential	56	55
Fundraising	2	2
Support	13	13
Total	<u>74</u>	<u>72</u>

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

	2018	2017
University Lecturers	15	14
CUF Lecturers	7	7
Other teaching and research	6	7
Other	5	6
Total	<u>33</u>	<u>34</u>

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

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

There were no employees (excluding the College Trustees) during the year whose gross pay and benefits (excluding employer NI and pension contributions) amounted to over £60,000.

Corpus Christi College  
Notes to the financial statements  
For the year ended 31 July 2018

8 TANGIBLE FIXED ASSETS

	Leasehold land and buildings £'000	Freehold land and buildings £'000	Plant and machinery £'000	Fixtures, fittings and equipment £'000	Total £'000
<b>Cost</b>					
At start of year	1,644	13,621	-	462	15,727
Additions	-	575	-	-	575
Disposals	-	-	-	-	-
<b>At end of year</b>	<b>1,644</b>	<b>14,196</b>	<b>-</b>	<b>462</b>	<b>16,302</b>
<b>Depreciation and impairment</b>					
At start of year	757	1,571	-	279	2,607
Depreciation charge for the year	33	150	-	57	240
Depreciation on disposals	-	-	-	-	-
<b>At end of year</b>	<b>790</b>	<b>1,721</b>	<b>-</b>	<b>336</b>	<b>2,847</b>
<b>Net book value</b>					
At end of year	854	12,475	-	126	13,455
At start of year	887	12,050	-	183	13,120

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.

9 HERITAGE ASSETS

As is befitting an institution of learning, the College holds a significant collection of early printed books and manuscripts, many of which were donated by the founder. In addition, an important collection of silver plate is held, reflecting our history and the generosity of benefactors across the centuries. All items were donated to the College on the understanding that they will be adequately cared for and used in support of the College's charitable purposes. On the direction of the Trustees elements of these collections are routinely made available to the research community globally and to the public through formal exhibitions.

Heritage assets are held at historic cost which, in the opinion of the Trustees, is now immaterial as effective replacement or sale is not a realistic option. Against this background the Trustees consider that the cost of formal valuation can not be a justified use of charitable funds, and further that there would be no practical utility in the valuation data for users of the accounts.

10 PROPERTY INVESTMENTS

College	Agricultural £'000	Commercial £'000	Other £'000	2018 Total £'000	2017 Total £'000
Valuation at start of year	31,011	15,400	5,340	51,751	44,430
Additions and improvements at cost	-	-	-	-	-
Disposals	-	-	-	-	(4,858)
Revaluation gains/(losses) in the year	1,639	(150)	135	1,624	12,179
<b>Valuation at end of year</b>	<b>32,650</b>	<b>15,250</b>	<b>5,475</b>	<b>53,375</b>	<b>51,751</b>

A formal valuation of the agricultural properties was prepared by J Procter MA MSc MRICS ACE Arb of Bidwells as at 31 July 2018.

A formal valuation of the commercial property was prepared by I Peck MRICS of Bidwells as at 31 July 2018.



Corpus Christi College  
Notes to the financial statements  
For the year ended 31 July 2018

11 OTHER INVESTMENTS

All investments are held at fair value.

	2018 £'000	2017 £'000
<b>Group investments</b>		
Valuation at start of year	132,791	88,647
New money invested	4,850	35,290
Amounts withdrawn	(5,435)	(2,446)
(Decrease)/increase in value of investments	8,820	11,300
<b>Group investments at end of year</b>	<b>141,026</b>	<b>132,791</b>
Investment in subsidiaries	-	-
<b>College investments at end of year</b>	<b>141,026</b>	<b>132,791</b>

Group investments comprise:	Held outside	Held in	2018	Held outside	Held in	2017
	the UK £'000	the UK £'000	Total £'000	the UK £'000	the UK £'000	Total £'000
Equity investments	10,895	1,919	12,814	11,656	11	11,667
Global multi-asset funds	15,464	96,084	111,548	14,684	94,621	109,305
Fixed term deposits and cash	-	16,664	16,664	-	11,819	11,819
<b>Total group investments</b>	<b>26,359</b>	<b>114,667</b>	<b>141,026</b>	<b>26,340</b>	<b>106,451</b>	<b>132,791</b>

12 STATEMENT OF INVESTMENT TOTAL RETURN

The Trustees adopted a duly authorised policy of total return accounting for the College investment returns for the main endowment funds with effect from August 2007. With effect from the year ended 31 July 2012, the trustees also adopted a policy of total return accounting for the Pate fund. With effect from 1st August 2015 the College has revised its spending rate to 3.5% of the immediately past 4 year rolling average endowment market value (noting that this period should be increased to 5 years from next year). The preserved (frozen) value of the invested endowment capital represents its open market value in July 2003 together with all subsequent endowments valued at date of gift.

	Permanent Endowment Trust for Investment £'000	Unapplied Total Return £'000	Total £'000	Expendable Endowment £'000	Total Endowments £'000
<b>At the beginning of the year:</b>					
Gift component of the permanent endowment	52,957		52,957		52,957
Unapplied total return		83,010	83,010		83,010
Expendable endowment				16,225	16,225
<b>Total Endowments</b>	<b>52,957</b>	<b>83,010</b>	<b>135,967</b>	<b>16,225</b>	<b>152,192</b>
<b>Movements in the reporting period:</b>					
Gift of endowment funds	1,064		1,064	349	1,413
Investment return: dividends and interest		1,741	1,741	7	1,748
Investment return: realised and unrealised gains and losses		7,703	7,703	2,741	10,444
Less: Investment management costs		(274)	(274)	(804)	(1,078)
Other transfers				-	-
<b>Total</b>	<b>1,064</b>	<b>9,170</b>	<b>10,234</b>	<b>2,293</b>	<b>12,527</b>
Unapplied total return allocated to income in the reporting period		(3,590)	(3,590)	-	(3,590)
Expendable endowments transferred to income				(423)	(423)
	-	(3,590)	(3,590)	(423)	(4,013)
<b>Net movements in reporting period</b>	<b>1,064</b>	<b>5,580</b>	<b>6,644</b>	<b>1,870</b>	<b>8,514</b>
<b>At end of the reporting period:</b>					
Gift component of the permanent endowment	54,021	-	54,021		54,021
Unapplied total return		88,590	88,590		88,590
Expendable endowment				18,095	18,095
<b>Total Endowments</b>	<b>54,021</b>	<b>88,590</b>	<b>142,611</b>	<b>18,095</b>	<b>160,706</b>

Corpus Christi College  
Notes to the financial statements  
For the year ended 31 July 2018

13 DEBTORS	2018 £'000	2017 £'000
<b>Amounts falling due within one year:</b>		
Trade debtors	313	328
Amounts owed by College members	35	49
Loans repayable within one year	2	4
Prepayments and accrued income	36	33
Other debtors	118	111
<b>Amounts falling due after more than one year:</b>		
Loans	19	19
	<u>523</u>	<u>544</u>
14 CREDITORS: falling due within one year	2018 £'000	2017 £'000
Trade creditors	387	226
Taxation and social security	125	1,101
Accruals and deferred income	896	466
Other creditors	188	610
	<u>1,596</u>	<u>2,403</u>
15 CREDITORS: falling due after more than one year	2018 £'000	2017 £'000
Bank loans	-	-
Obligations under finance leases	-	-
Other creditors	30,000	30,000
	<u>30,000</u>	<u>30,000</u>

On 10 February 2017 the College entered into a 45 year Note Purchase Agreement (NPA) with coupons payable at a rate of 2.66%. The proceeds of the NPA are invested alongside the endowment in accordance with the principles agreed by the Governing Body. Within the accounts the NPA borrowing is referred to as the 'D Fund'.



Corpus Christi College  
Notes to the financial statements  
For the year ended 31 July 2018

16 ANALYSIS OF MOVEMENTS ON FUNDS

	At 1 August 2017 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2018 £'000
<b>Endowment Funds - Permanent</b>						
General purpose funds	108,593	1,402	(207)	(2,817)	5,906	112,877
Fellowship funds	4,923	488	-	(135)	353	5,629
Junior Research Fellowship funds	394	575	-	-	28	997
Fabric and building funds	4,841	-	-	(128)	347	5,060
Student support funds	3,377	-	-	(83)	242	3,536
Other teaching funds	380	-	-	(10)	27	397
Library funds	53	-	-	(1)	4	56
Other purpose funds	104	-	-	(6)	7	105
Clubs funds	227	-	-	(9)	16	234
Pate fund	13,075	340	(67)	(401)	773	13,720
<b>Endowment Funds - Expendable</b>						
General purpose funds	11,144	7	-	(298)	791	11,644
Fellowship & JRF funds	2,185	50	-	(73)	156	2,318
Student support funds	2,463	299	-	(35)	176	2,903
Other teaching funds	178	-	-	(4)	13	187
Library funds	490	-	-	(13)	35	512
Other purpose funds	27	-	-	-	2	29
D Fund	(262)	-	(804)	-	1,568	502
<b>Total Endowment Funds - College</b>	<b>152,192</b>	<b>3,161</b>	<b>(1,078)</b>	<b>(4,013)</b>	<b>10,444</b>	<b>160,706</b>
<b>Restricted Funds</b>						
Transfers from specific purpose endowments for spending	-	-	(898)	898	-	-
Property project funds	1,243	343	(61)	-	-	1,525
Teaching and research funds	43	155	(64)	-	-	134
Student support funds	-	29	(29)	-	-	-
Other purpose funds	14	121	(110)	-	-	25
<b>Total Restricted Funds - College</b>	<b>1,300</b>	<b>648</b>	<b>(1,162)</b>	<b>898</b>	<b>-</b>	<b>1,684</b>
<b>Unrestricted Funds</b>						
General	1,237	4,245	(6,920)	2,741	-	1,303
Library and Archive Centre fund	2,219	-	-	39	-	2,258
Fixed asset designated fund	13,120	-	-	335	-	13,455
Pension reserve	(599)	-	20	-	-	(579)
<b>Total Unrestricted Funds - College</b>	<b>15,977</b>	<b>4,245</b>	<b>(6,900)</b>	<b>3,115</b>	<b>-</b>	<b>16,437</b>
<b>Total Funds</b>	<b>169,469</b>	<b>8,054</b>	<b>(9,140)</b>	<b>-</b>	<b>10,444</b>	<b>178,827</b>

**Corpus Christi College**  
**Notes to the financial statements**  
**For the year ended 31 July 2018**

**17 FUNDS OF THE COLLEGE DETAILS**

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

**Endowment Funds - Permanent:**

*General purpose funds*

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

*Fellowship, Junior Research Fellowship, Fabric and building, Student support, Other teaching, Library, Clubs and Other purpose funds*

Capital balance of past donations where related income, but not the original capital, can be used for named specific purposes.

*Pate fund*

Capital balance of the Pate Charity, a fund that was previously an exempt charity, and is now in the process of being registered with the Charity Commission as a constituent charity with the College. 75% of the net total return drawdown arising from the fund is payable to Pate's Grammar School Foundation. The remaining 25% of the net total return drawdown is available for the general purposes of the College and hence is allocated to unrestricted funds.

**Endowment Funds - Expendable:**

*General purpose funds*

A consolidation of gifts and donations where either income, or income and capital, can be used for the general purposes of the charity.

*Fellowship, Student support, Other teaching, Library and Other purpose funds*

Capital balance of past donations where related income, or income and capital, can be used for named specific purposes.

*D Fund*

Income and gains generated from the investment of the NPA (see note 15) and associated expenditure.

**Restricted Funds:**

*Property project funds*

Funds that must be applied to specific fixed asset projects.

*Teaching and research, student support and other purpose funds*

Funds where both income and capital can be used for named restricted purposes.

**Designated Funds**

*Library and Archive Centre fund*

Unrestricted Funds allocated by the Trustees for the 2017 building fund.

*Fixed asset designated fund*

Unrestricted Funds which are represented by the fixed assets of the College and therefore not available for expenditure on the College's general purposes.

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

**18 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2018 Total £'000
Tangible fixed assets	13,455	-	-	13,455
Property investments	-	-	53,375	53,375
Other investments	16,579	-	124,447	141,026
Net current assets	(13,018)	1,684	12,884	1,550
Long term liabilities	(579)	-	(30,000)	(30,579)
	<u>16,437</u>	<u>1,684</u>	<u>160,706</u>	<u>178,827</u>
	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2017 Total £'000
Tangible fixed assets	13,120	-	-	13,120
Property investments	-	-	51,751	51,751
Other investments	7,469	-	125,321	132,790
Net current assets	(4,013)	1,300	5,120	2,407
Long term liabilities	(599)	-	(30,000)	(30,599)
	<u>15,977</u>	<u>1,300</u>	<u>152,192</u>	<u>169,469</u>



Corpus Christi College  
Notes to the financial statements  
For the year ended 31 July 2018

19 TRUSTEES' REMUNERATION

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

Trustees of the college fall into the following categories:

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

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

All Official and Research Fellows are eligible for a Housing Allowance, which is disclosed within the salary figures below. Five trustees (2017: seven) live in houses owned by the college and pay market rent on a monthly basis.

The College has a Remuneration Committee which makes recommendations to Governing Body on pay and benefits which are outside of external scales. The composition of the Remuneration Committee is set out on page 8 in the annual report.

Remuneration paid to trustees

Range	Number of Trustees/Fellows	2018	Number of Trustees/Fellows	2017
		Gross remuneration, taxable benefits and pension contributions £		Gross remuneration, taxable benefits and pension contributions £
£1-£999	2	61	2	360
£1,000-£1,999	1	1,390	1	1,536
£4,000-£4,999	1	4,422	2	9,688
£5,000-£5,999			1	5,736
£6,000-£6,999			1	6,059
£9,000-£9,999			1	9,905
£10,000-£10,999	1	10,420	1	10,645
£20,000-£20,999			1	20,673
£21,000-£21,999	1	21,011		
£22,000-£22,999	1	22,969		
£25,000-£25,999	2	51,050	1	25,974
£26,000-£26,999	1	26,889	4	106,758
£27,000-£27,999	5	137,401	2	54,256
£28,000-£28,999	1	28,556	1	28,597
£29,000-£29,999	1	29,421		
£30,000-£30,999			1	30,208
£32,000-£32,999			1	32,962
£34,000-£34,999		34,161		
£39,000-£39,999			1	39,377
£40,000-£40,999	1	40,130	1	40,935
£44,000-£44,999			1	44,720
£45,000-£45,999	1	45,945		
£51,000-£51,000	1	51,381		
£54,000-£54,999			1	54,062
£55,000-£55,999	1	55,731		
£58,000-£58,999			2	117,094
£59,000-£59,999	3	178,717		
£63,000-£63,999	1	63,059		
£64,000-£64,999			1	64,749
£71,000-£71,999	1	71,373	1	71,048
£81,000-£81,999			1	81,828
£83,000-£83,999	1	83,193		
£91,000-£91,999			1	91,146
£92,000-£92,999	1	92,762		
£93,000-£93,999			1	93,062
£95,000-£95,999	1	95,453	1	95,571
£97,000-£97,000	1	97,169		
£125,000-£125,999			1	125,747
£129,000-£129,999			1	129,207
£145,000-£145,999	1	145,003		
£192,000-£192,999	1	192,614		
Total	32	1,580,281	34	1,391,903

9 (2017: 8) trustees are not employees of the college and do not receive remuneration.

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

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**Other transactions with trustees**

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

See also note 27 Related Party Transactions

**Key management remuneration**

The total remuneration paid to key management including salary, social security costs and pension contributions was £421k (2017: £337k).

Key management are considered to be the President, the Bursar and the Domestic Bursar.

**20 PENSION SCHEMES**

The college participates in two principal pension schemes for its staff - the Universities Superannuation Scheme (USS) and the University of Oxford Staff Pension Scheme (OSPS). The assets of the schemes are each held in separate trustee-administered funds. USS and OSPS schemes are contributory mixed benefit schemes (i.e. they provide benefits on a defined benefit basis - based on length of service and pensionable salary and on a defined contribution basis - based on contributions into the scheme). Both are multi-employer schemes and the college is unable to identify its share of the underlying assets and liabilities relating to defined benefits of each scheme on a consistent and reasonable basis. Therefore, in accordance with the accounting standard FRS 102 paragraph 28.11, the college accounts for the schemes as if they were defined contribution schemes. As a result, the amount charged to the Income and Expenditure Account represents the contributions payable to the schemes in respect of the accounting period.

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

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

The college has made available a National Employment Savings Trust for non-employees who are eligible under automatic enrolment regulations to pension

**Schemes accounted for under FRS 102 paragraph 28.11 as defined contribution schemes**

**Actuarial valuations**

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

	USS	OSPS
Date of valuation:	31/03/14	31/03/16
Date valuation results published:	24/07/15	28/04/17
Value of liabilities:	£46.9bn	£661m
Value of assets:	£41.6bn	£/528m
Funding surplus / (deficit):	(£5.3bn) (a)	(£133m) (b)
Principal assumptions:		
· Investment return	5.2%pa (c)	-
· Rate of interest (periods up to retirement)	-	'Gilts' + 1.2%pa
· Rate of interest (periods up after retirement)	-	'Gilts' + 1.2%pa
· Rate of increase in salaries	RPI + 1%pa(d)	RPI + 1%pa
· Rate of increase in pensions	CPI pa(d)	Average RPI/CPI pa
Mortality assumptions:		
· Assumed life expectancy at age 65 (males)	24.2 yrs	22.4 yrs
· Assumed life expectancy at age 65 (females)	26.3 yrs	24.7 yrs
Funding Ratios:		
· Technical provisions basis	89%	80%
· Statutory Pension Protection Fund basis	82%	67%
· 'Buy-out' basis	54%	42%
· Estimated FRS 102 Total Funding level	77%	82%
		23%
		decreasing to
Recommended employer's contribution rate (as % of pensionable salaries):	18%(e)	19% from 01/08/2017
Effective date of next valuation:	31/03/17	31/03/19



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a. 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 were 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 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 are 8% of salary; a defined contribution benefit for salary above the salary threshold at the total level of 20% 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 matched by the employer. Further details about the benefits may be reviewed on USS' website, [www.uss.co.uk](http://www.uss.co.uk). For the period up to 1 April 2016 the employer deficit contribution was 0.7% p.a. of salaries based on the assumptions made. After allowing for those changes, the actuary established a long term employer contribution rate of 18% pa of salaries for the period from 1 April 2016 to 31 March 2031. On the assumptions made and with the salary threshold and defined contribution section implemented this gives rise to deficit contributions of at least 2.1% p.a. of salaries. At 31 March 2018 USS reported that the estimated funding deficit was £8.4 bn (88% funded).

b. OSPS' actuarial valuation as at 31 March 2016 identified a required long-term employer contribution rate of 17.3% of total pensionable salaries, with a funding deficit of £133 m. The valuation results reflect a number of changes to benefits that were agreed following an Employers' consultation in early 2017, including from 1 April 2017 a change in indexation based on the average of RPI and CPI, from 1 October 2017 a defined contribution section for new entrants and from 1 April 2018 breaking the final salary link for certain members and increased employee contributions. The actuary has certified that the recovery plan should eliminate the deficit by 30 June 2027. The next triennial valuation is due with an effective date of 31 March 2019.

c. USS' actuary has assumed that the investment return is 5.2% in year 1, decreasing linearly to 4.7% over 20 years.

d. 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.

e. As noted above (note a) the USS employer contribution rate is 18% of salaries from 1 April 2016. 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. The 2017 actuarial valuation of USS has been undertaken but this has not yet been formally completed. The 2017 valuation has set out the challenges currently facing the scheme and the likelihood of significant increases in contributions being required to address these challenges. In the judgement of the college, as the 2017 valuation has not formally completed, and there remains various stages of consultation around the key factors specifically relating to the funding of the past deficit, including the level of contributions required, the period of the recovery plan and the level of asset performance over the period, it remains appropriate to continue to account for the past deficit obligation in accordance with the plan agreed after the 2014 actuarial valuation. However, there is a significant risk that the year-end provision as calculated will not reflect the position following the final outcome of negotiations, potentially by a very significant amount depending upon what is finally agreed as regards future deficit contributions and their duration. The college expects to have greater clarity in this respect during the next financial year.

f. As noted above (note b), the OSPS employer contribution rate required for future service benefits in the defined benefit section alone is 17.3% of total pensionable salaries from 1 April 2018. The employer contribution rate was 23% from 1 August 2016 to 31 July 2017. It was agreed that employer contribution rate would be 19% for both defined benefits members and defined contributions members who join on or after 1 October 2017. Part of contribution for defined contribution members would be paid to the defined benefit section to cover the deficit recovery plan, the provision of ill-health and death-in service benefits and the expenses of administering the defined contribution section.

**Sensitivity of actuarial valuation assumptions**

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

USS		
Assumption	Change in assumption	Impact on USS liabilities
Initial discount rate	increase / reduce by 0.25%	decrease / increase by £0.8bn
Discount rate in 20 years' time	increase / reduce by 0.25%	decrease / increase by £1.1bn
RPI inflation	increase / reduce by 0.1%	increase / decrease by £0.8bn
Rate of mortality	more prudent assumption (mortality used at last valuation, rated down by a further year)	increase by £0.5bn
OSPS		
Assumption	Change in assumption	Impact on OPS technical provisions (from 80% funded at 31/03/2016)
Valuation rate of interest	decrease by 1.0%	68%
Rate of pension increases	increase by 1.0%	69%
Life expectancy	more prudent assumption (life expectancy increases by 3 years)	72%

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**Deficit Recovery Plans**

In line with FRS 102 paragraph 28.11A, the University has recognised a liability for the contributions payable for the agreed deficit funding plan. The principal assumptions used in these calculations are tabled below:

	OSPS	USS
Finish Date for Deficit Recovery Plan	30/06/27	31/03/31
Average staff number increase	0%	0%
Average staff salary increase	2.00%	2.00%
Average discount rate over period	1.55%	1.90%
Effect of 0.5% change in discount rate	£6.3m	£13.3m
Effect of 1% change in staff growth	£13.8m	£3.6m

A provision of £579m has been made at 31 July 2018 (2017: £599m) for the present value of the estimated future deficit funding element of the contributions payable under these agreements, using the assumptions shown.

**Pension charge for the year**

The pension charge recorded by the University during the accounting period (excluding pension finance costs) was equal to the contributions payable after allowance for the deficit recovery plan as follows:

Scheme	2017/18 £'000	2016/17 £'000
Universities Superannuation Scheme	250	230
University of Oxford Staff Pension Scheme	255	293
<b>Total</b>	<u>505</u>	<u>523</u>

These amounts include £0 (2017: £0) contributions payable to defined contribution schemes at rates specified in the rules of those plans.

Included in other creditors are pension contributions payable of £0m (2017: £0m).

A copy of the full actuarial valuation report and other further details on the scheme are available on the relevant website: USS - [www.uss.co.uk](http://www.uss.co.uk); OSPS - [www1.admin.ox.ac.uk/finance/epp/pensions/schemes/osps](http://www1.admin.ox.ac.uk/finance/epp/pensions/schemes/osps).

**21 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.

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22 FINANCIAL INSTRUMENTS

The College has certain financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost. Certain other financial instruments are held at fair value, with gains and losses being recognised within income and expenditure.

The College has the following financial instruments:

	2018 £'000	2017 £'000
<b>Financial assets measured at fair value through profit or loss</b>		
Investments	141,026	132,791
	<u>141,026</u>	<u>132,791</u>
<b>Financial assets measured at amortised cost</b>		
Cash and cash equivalents	2,421	4,058
Debtors and accrued income	467	472
	<u>2,888</u>	<u>4,530</u>
<b>Financial liabilities measured at amortised cost</b>		
Accruals and deferred income	896	466
Other creditors	30,700	31,937
	<u>31,596</u>	<u>32,403</u>

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

	2018 Group £'000	2017 Group £'000
Net income/(expenditure)	9,358	22,384
Elimination of non-operating cash flows:		
Investment income	(1,751)	(1,740)
(Gains)/losses in investments	(10,444)	(23,479)
Endowment donations	(1,413)	(432)
Financing costs		
Depreciation	240	261
(Surplus)/loss on sale of fixed assets	-	(104)
Decrease/(Increase) in stock	5	(13)
Decrease/(Increase) in debtors	21	72
(Decrease)/Increase in creditors	(807)	31,208
(Decrease)/Increase in provisions	-	-
(Decrease)/Increase in pension scheme liability	(20)	(506)
<b>Net cash provided by (used in) operating activities</b>	<u>(4,811)</u>	<u>27,651</u>



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24 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £'000	2017 £'000
Cash at bank and in hand	2,421	4,058
<b>Total cash and cash equivalents</b>	<b><u>2,421</u></b>	<b><u>4,058</u></b>

25 FINANCIAL COMMITMENTS

At 31 July the College had no significant annual commitments under non-cancellable operating leases (2017: none).

26 CAPITAL COMMITMENTS

The College had contracted commitments at 31 July for future capital projects totalling £0k (2017 - £0k).

27 RELATED PARTY TRANSACTIONS

The College is part of the collegiate University of Oxford. Material interdependencies between the University and of the College arise as a consequence of this relationship. For reporting purposes, the University and the other Colleges are not treated as related parties as defined in FRS 102

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

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

	2018 £'000	2017 £'000
Prof H Moore	5	5
Prof J Elsner	-	2
Prof R Murphy	6	7
	<b><u>11</u></b>	<b><u>14</u></b>

28 CONTINGENT LIABILITIES

There are no contingent liabilities that require disclosure.

29 POST BALANCE SHEET EVENTS

There are no post balance sheet events that require disclosure.