

Annual Report and Financial Statements

Year ended 31 July 2016

Christ Church

OXFORD OX1 1DP

Registered Charity 1143423

Christ Church
Annual Report and Financial Statements
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Christ Church
Report of the Governing Body
Year ended 31 July 2016

MEMBERS OF THE GOVERNING BODY

The Members of the Governing Body are the House's charity trustees under charity law. The members of the Governing Body who served in office during the year or subsequently are detailed below.

		(1)	(2)	(3)	(4)	(5)	(6)	(7)
Dean:								
The Very Reverend Professor M.W. Percy		•	•	•	•	•	•	•
Canons:								
The Venerable M.A. Gorick								•
The Reverend Professor N.J. Biggar			•					•
Professor S.R.I. Foot					•			•
Canon Professor G.D. Ward		•						•
The Reverend Canon E.J. Newey								•
Canon Professor C. Harrison								•
Students:								
Professor J.F. Ryan								
Professor J. Pallot	(retired 30 September 2016)				•			
Dr R.B. Rutherford			•					
Professor J. Cartwright								
Dr S.M. Darlington				•				
Dr D.J. Hine					•			
Dr R.L. Judson			•	•		•		
Dr C. C. L. Andreyev	(retired 30 September 2015)							
Professor D. Nowell								
Dr I.M.C. Watson								
Mr E.J.F. Simpson			•	•		•		
Professor S.D. Howison								
Dr M.J. Edwards			•		•			
Dr M.D. McCulloch								
Dr D. Obbink								
Professor S.L. Rowland-Jones				•			•	
Dr B.E. Jack				•				
Dr D.P. McDonald								
Professor S. Neubauer		•						
Dr B. Parkinson		•	•	•	•	•		
Dr E.M.C. Tanello-Cooper								•
Dr D.P. Moran							•	
Professor G. Wilkinson								
Professor R.L. Davies					•			
Professor Sir J.I. Bell								
Dr G.A. Johnson								
Professor J.G.E. Cross				•				
Dr A.J. Clark						•		
Dr B.W. Young		•	•	•	•		•	
Dr J.J. Davis							•	
Professor C.B.R. Pelling	(retired 30 September 2015)							
Professor M.C.A Bose				•				
Dr J. Yee			•			•		
Dr A. Kuhn			•					
Mr J.C.F.S. Lawrie		•	•		•			
Professor D. Aarts			•				•	
Dr S.J. Cragg				•				
Dr R. Wade-Martins								
Mr M.W. Kwiatkowski			•		•			

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Professor J.K. Schear				•				
Dr E.G.W. Keene			•	•				
Dr S.C. Mortimer								•
Professor D.M. Upton			•		•			
Dr K. McGerty		•						
Ms P.A. Linières-Hartley		•	•		•			
Mr K. Sternberg								
Dr G. Bérczi	(determined 30 September 2016)							
Ms L. Elder								
Dr S. Dadson			•					
Mr B. Spagnolo	(resigned 30 September 2016)	•						
Dr S. L. Newstead		•						
Dr K.C. King		•						
Dr A. Camilleri								
Professor R. Barker								
Professor J. Joosten								
Professor S. Hiscock								
Dr K. Manova	(appointed 1 September 2015)							
Professor G. Hutchinson	(appointed 1 October 2015)							
Dr K. Lebow	(appointed 1 October 2016)							
Professor A. Kuo	(appointed 1 October 2016)							
Professor M van der Schaar	(appointed 1 October 2016)							

During the year the policies of the Governing Body were developed and implemented through seven principal committees. The current membership of these committees is shown above for each Student.

- (1) House Committee
- (2) Finance Committee
- (3) Academic Committee
- (4) Development Committee
- (5) Salaries Board
- (6) Grants Committee
- (7) Benefices Committee

External members sit on the Finance Committee, Development Committee and the Salaries Board. The external members over the academic year were:

Finance Committee: Mr J. Curtis, Mr D. McDougall.

Development Committee: Mr K.P. Street, Miss P. E.C. Deane, Mr A.L. Carlill.

Salaries Board: Dr I. Asquith, Mr H. Crisp, Ms Kate Paterson.

COLLEGE SENIOR STAFF

The senior staff to whom day to day management is delegated are as follows.

A The Dean	<i>The Very Reverend Martyn William Percy</i>
B The Senior Censor	<i>Dr Brian Parkinson</i>
C The Junior Censor	<i>Dr Brian Young</i>
D The Treasurer	<i>Mr James Lawrie</i>
E The Steward	<i>Ms Pauline Linières-Hartley</i>

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HOUSE ADVISERS

Investment managers

Oxford University Endowment Management Limited
King Charles House, Park End Street, Oxford, OX1 1JD

Towers Watson Investment Management Limited
21 Tothill Street, London, SW1H 9LL

BlackRock Advisers (UK) Limited
12 Throgmorton Avenue, London, EC2N 2DL

Investment property managers and principal surveyor

Savills (L&P) Limited Chartered Surveyors
Wytham Court, 11 Westway, Oxford, OX2 0QL

Auditor

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

Bankers

Barclays Bank plc
Business Banking, 4th Floor, Apex Plaza, Forbury Road, Reading, Berkshire, RG1 1AX

Solicitors

Blake Morgan LLP
Harbour Court, Compass Road, North Harbour, Portsmouth, Hampshire, PO6 4ST

Mills & Reeve LLP
Francis House, 112 Hills Road, Cambridge, CB2 1PH

Address

Christ Church, St Aldate's, Oxford, OX1 1DP

Website

www.chch.ox.ac.uk

Christ Church
Report of the Governing Body
Year ended 31 July 2016

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

REFERENCE AND ADMINISTRATIVE INFORMATION

Christ Church is a joint foundation – of a college in the University of Oxford and of the Cathedral Church of the Diocese of Oxford – supported by a single corporate endowment, which is known as Christ Church (“the House”). The present collegiate foundation was established by King Henry VIII in 1546. Statutes were conferred by the Christ Church Oxford Act, 1867 and these, as modified subsequently by Oxford University Commissions and by Order of Her Majesty in Council, govern its affairs. The government of the foundation vests in the Governing Body formed of the Dean, certain of the Canons and the elected Students.

The House registered with the Charities Commission on 17 August 2011 (registered number 1143423).

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 House, are given on pages 2 to 3.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

The House is governed by its Statutes, dated 16 March 2011.

Governing Body

The Governing Body is constituted and regulated in accordance with the House’s Statutes, the terms of which are enforceable ultimately by the Visitor, who is Her Majesty, The Queen. Membership of the Governing Body is associated (automatically in most cases) with appointment or election to certain posts in the joint foundation, as outlined below, and lapses in the event of resignation or retirement from those posts.

The Governing Body consists of the Dean, Canons (as defined in Statute Id(i)) and Students (as stated in Statute XIII) of Christ Church. The Students may be (i) tutorial fellows, appointed to joint posts with the University; (ii) University Professors or holders of equivalent posts or University Readers; (iii) senior administrative officers of the House, including the Treasurer and the Steward; and (iv) other persons of distinction whose election to the Governing Body in the opinion of the Governing Body will advance the interests of education and learning in the House or will broaden its expertise.

The Governing Body determines the strategic direction of the House and regulates its administration and the management of its finances and assets. It meets regularly under the chairmanship of the Dean and is advised by a number of committees, the most important of which are detailed below.

Recruitment and training of Members of the Governing Body

As membership of Governing Body is dependent on the holding of other posts, recruitment depends on the procedures normal for those posts. The Dean, Sub-Dean and Regius Professors are appointed by the Crown. Other academic appointments are by appointment committees; these are university committees in the case of Professors (other than the Regius Professors) and joint university/college committees in other cases. The Archdeacon is appointed by the Bishop of Oxford in consultation with the Chapter of the Cathedral. Senior administrative posts are filled on the advice of specially formed committees reporting to Governing Body. Other persons of distinction may be invited to take up Studentships which give them membership of Governing Body.

New members of Governing Body are inducted by current college officers, typically the Censors and the Treasurer. Induction topics include the role of the Governing Body in the Joint Foundation and responsibilities of its members. Members of the Governing Body attend external 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 and Senior College Staff.

Members of the Governing Body, who are primarily Fellows, are teaching and research employees of the House and receive no remuneration or benefits from their trusteeship of the House. Those trustees that are also employees of the House receive remuneration for their work as employees of the House which is set based on the advice of the House’s Salaries Board, three members of which are not members of Governing Body and not in receipt of remuneration from the House. Where possible, remuneration is set in line with that awarded to the University’s academic staff.

The remuneration of senior college staff is set by the House’s Remuneration Committee.

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Report of the Governing Body
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Organisational management

The Governing Body meets ordinarily nine times a year. The work of developing policies and monitoring implementation is carried out by seven principal Committees:

- The House Committee considers questions involving the domestic finances, management and organisation of the House, accommodation and the use of space, and other domestic matters.
- The Finance Committee considers matters relating to the property and investments of the House, and questions involving the overall financial policy of the House.
- The Academic Committee considers matters relating to the teaching, research and educational activities of the House.
- The Development Committee considers matters concerned with alumni relations and with fund-raising for the purposes of the House, and advises the Development Director and the Development Adviser.
- The Salaries Board considers questions relating to the salaries and expenses of those engaged in teaching members of the House and to other expenses connected with such teaching.
- The Grants Committee considers questions of reasonable charitable donations under Stat. XXXI.3.(v) and of grants for members of the Governing Body, Lecturers, Junior Research Fellows and Senior Scholars.
- The Benefices Committee exercises the Governing Body's right to present to vacant benefices in the gift of the House.

The day-to-day running of the House is delegated to the Dean and Censors, and other college officers notably the Treasurer and the Steward. The Dean and Censors attend all meetings of the principal committees except that the Junior Censor does not attend the Salaries Board, the Senior Censor does not attend the Grants Committee and neither Censor attends the Benefices Committee.

Under Clause 5(a) of the House's statutes, certain powers are reserved to the Dean and Chapter in respect of:

- (1) the Cathedral Church and its fabric and appurtenances, including the Chapter House; and
- (2) the Cathedral Chaplains, Organist, Lay Clerks, and Choristers, and other officers of the Cathedral Church; and
- (3) the residentiary houses assigned for occupation by the Dean and the Canons together with Cloister House.

Members of Chapter form the Board of Governors of Christ Church Cathedral School ("CCCS"), which is chaired by the Dean. CCCS occupies buildings provided by the House which from time to time provides financial support for the school including choral scholarships.

Group structure and relationships

The House also administers many special trusts, as detailed in Notes 19 to 20 to the financial statements.

The House also has four wholly-owned non-charitable subsidiaries: Christ Church Library Charity Limited, which operates the House's Libraries, Christ Church Oxford Trading Limited, whose annual profits are donated to the College under the Gift Aid Scheme, Christ Church Developments Limited, which undertakes major building projects, and Christ Church (Evesham) Limited, which holds agricultural land with long term development potential. The trading activities of Christ Church Oxford Trading primarily comprise revenue from conference activities and letting of the facilities when not in use by the House. The subsidiaries' aims, objectives and achievements are covered in the relevant sections of this report.

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

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OBJECTIVES AND ACTIVITIES

Charitable Objects and Aims

The Objects of the Charity are as follows:

- A) The advancement of religion, education and learning, in particular but not exclusively by:
- (i) the provision, support, conduct and maintenance of Christ Church Cathedral as the Cathedral of the Diocese of Oxford, together with its Choir;
 - (ii) the provision, support, conduct and maintenance of Christ Church as a college within the University of Oxford; and
 - (iii) the promotion of research in any branch of learning.
- B) In so far as it is not incompatible with the objects set out in (A) above, the advancement of the arts, culture, heritage and science, in particular but not exclusively by:
- (i) the preservation and conservation of collections of articles of historical, aesthetic or scientific interest;
 - (ii) the preservation and conservation of the Cathedral and its appurtenances including the Chapter House; and
 - (iii) the preservation and conservation of the other buildings of the House and its curtilage including the Meadow.

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

- the advancement of religion by providing and maintaining the Cathedral of the Diocese of Oxford which is home to an active congregation and a world famous Cathedral Choir;
- the advancement of education and learning by providing higher education for some 400 undergraduate and 250 postgraduate students within Oxford University, the students being selected by academic merit;
- the provision of bursaries for students of modest means;
- the facilitation of research in a range of topics by providing access to its libraries, Picture Gallery and other collections to its undergraduates, graduates, fellows and members of the Governing Body undertaking research and, on a discretionary basis, to non-members of Christ Church undertaking appropriate research;
- the further advancement of education and learning through the activities of the Cathedral School;
- the advancement of the arts, culture, heritage and science by the preservation and conservation of collections of articles of historical, aesthetic or scientific interest; the making available of certain articles to researchers and/or the public;
- the advancement of the arts, culture and heritage by the preservation and conservation of the Cathedral and its appurtenances including the Chapter House, and by the preservation and conservation of the other buildings of the House and its curtilage including the Meadow, for the benefit of current and future members of the House and of the general public; and the advancement of the arts, culture and heritage by the maintenance of its choral foundation, one of the oldest in England;
- The House is particularly committed to the provision of student support, in the form of both bursaries and support for current students in financial difficulty, with a view to ensuring that those of sufficient academic ability should be able to attend the college irrespective of family wealth. The aims set for the House's subsidiaries are to help finance the achievement of the House's aims as above.

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Activities and objectives of the House

The House's activities are focused on furthering its stated objects and aims for the public benefit.

Our stated object of promoting research has been furthered by the appointment of four new Junior Research Fellows (JRFs), a new Official Student (Tutorial Fellow) in Economics, a postdoctoral research fellow in Chemistry, and the Regius Professor of Greek. We have enhanced our undergraduate accommodation in Peckwater Quad as part of an extensive refurbishment project, thus contributing to the maintenance of Christ Church as a college of the University of Oxford and the preservation and conservation of the House's buildings.

Our continued support of the IntoUniversity initiative in Oxford and related access and outreach activities has assisted with the general object of advancing education and learning, and in the longer term is intended to broaden the available pool of candidates for our undergraduate places, and to enhance the quality of their education, supporting Christ Church's status as a college of the University of Oxford.

The House's aim of providing bursaries for students of modest means is furthered by our contribution to the Oxford Opportunity Bursary and Moritz-Heyman Scholarship schemes administered by the central University, which makes allocations principally on the basis of household income. Christ Church also provides hardship grants, including Southdown Bursaries, that are specifically targeted at its own Junior Members and are allocated after evaluating their income and expenditure on a case-by-case basis.

Governing Body held its first annual offsite meeting during the 2015-2016 academic year, and subsequently appointed an associated committee to consider a variety of proposals that will enable us to increase the reach and efficiency of our activities, enabling us to further a wide range of our stated aims and objects.

ACHIEVEMENTS AND PERFORMANCE

428 undergraduate students were resident during the academic year. Of these, 120 were finalists who completed their degree courses; 94.2% gained firsts or 2.1s. 70 bursaries were awarded to undergraduate students.

164 graduate students were following courses of study during the academic year. Of these, 21 completed Masters/BCL degrees and 27 completed doctorates.

The Cathedral offered daily public worship and acted as a chapel for all members of Christ Church. It also offered a venue for special services for the Diocese of Oxford and other outside organisations. The Cathedral also provided a range of educational activities for schools and other groups, and functioned as a venue for public concerts and other events.

Pupil numbers at the Cathedral School increased to 168 by the end of the year, with slightly less Cathedral Choristers at 19. A total of 10 scholarships were gained by this year's leavers.

Fundraising produced less direct income than the previous year (see below) but the total sum including pledges amounted to £4.8 million, which represents an increase over the previous year. Fundraising costs (including salaries of staff in the development office, and organization of alumni and donor events) amounted to £629k (a small increase on the previous year). Investment in development activities is intended to increase awareness of financial needs among alumni and other potential donors and to encourage their loyalty and support. As one indication of success in these regards, the number of new members of the Board of Benefactors increased for a second consecutive year.

FINANCIAL REVIEW

Income

The House's total income of £21,710k was £1,284k lower than 2014-15, a reduction of 6%.

Income from charitable activities of £11,647k was 7% higher, comprising fee income of £2,881k, which was 4% higher than the previous year, college residential income of £4,013k which was 1% higher, combined income from the Cathedral and Cathedral School of £2,334k was 5% higher due mainly to an improvement in school fee income and tourism income of £2,331k having returned to normal operation levels (a 25% increase on 2014-15: £1,875k). The reduction in 2014-15 was mainly due to restricted access during the urgent repairs to the roof in the Great Hall.

Fundraising income (which includes both income and capital donations) was £3,563k, 32% lower than 2014-15. Capital donations of £2,897k were 38% lower (2014-15: £4,677k) while income donations of £666k were 22% higher than 2014-15 (£544k).

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Non charitable trading income of £925k was 27% higher (2014-15: £727k), representing an uplift in non-charitable conference income. Income from investment assets of £5,307k was 10% lower than the previous year (£5,885k) following the sale of commercial property holdings in 2014-15 known as the West End, Oxford.

Expenditure

The House's total expenditure of £27,360k was £2,828k higher than 2014-15 (£24,532k). Total expenditure includes the recognition of the movement on the defined benefit pension scheme deficit liability, as required under FRS 102 of £115k (2014-15: £371k).

Expenditure on charitable activities of £23,238k was £2,100k higher than the previous year. Maintenance and refurbishment expenditure on college buildings of £5,285k, an increase of 12%, was £1,868k higher than the previous year including £2,818k on phase 1 of the Peckwater Quad staircase refurbishment, £393k in connection with the Visitor Centre and Compound project and £188k to upgrade to Nursery. Included in total charitable expenditure is £115k increase in the USS and OSPS pension scheme deficit liabilities at 31 July 2016 (2014-15: £371k).

The cost of generating funds was £4,122k in 2015-16, £728k higher than the previous year. Investment management costs of £2,574k were £691k higher than the previous year due mainly to increased maintenance and refurbishment expenditure incurred on the House's investment properties. Fundraising costs of £629k were 7% higher than 2014-15.

The total pension scheme deficit liability as at 31 July 2016 recognised in these financial statements as required by FRS 102 is £2,904k (USS £806k, OSPS £2,097k), thus reducing the net funds available to the House by £2,904k.

The adoption of FRS 102 requires the recognition of the fair value of complex financial instruments. The House entered into an interest rate swap with Barclays Bank plc, under which it receives interest at 3-month LIBOR and pays a fixed rate of interest of 4.783%. The notional amount of the swap is £10m and expires on 1 February 2038. The fair value of the interest rate swap as at 31 July 2016 has been provided at £7,554k (2014-15: £4,903k), thus reducing the net funds available to the House by £7,554k.

Result for the year

The consolidated increase in funds for the year was £32,686k (2014-15: £44,823k) of which a reduction of £3,246k (2014-15: -£5,325k) was attributable to unrestricted funds, an increase of £415k (2014-15: +£571k) was attributable to restricted funds and an increase of £35,517k (2014-15: +£49,577k) to endowment funds, and includes the total investment gain in the year of £40,987k (2014-15: £51,264k).

Reserves policy

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

Total funds of the House and its subsidiaries at the year-end amounted to £461.3m (2014-15: £428.6m). This includes endowment capital of £456.6m and unspent restricted income funds totalling £8.8m.

The House's free reserves at the year-end amounted to -£2,160k (2014-15: -£1,922k), representing retained unrestricted income reserves excluding an amount of £4,551k for the book value of fixed assets less associated funding arrangements. Governing Body has set a target reduction of this deficit of £500k pa in the 5-year plan.

Designated reserves of £553k at the year end included £153k for unexpended Annual Fund projects which are projected to be spent over the next three years and £23k designated to fund the depreciation of the Cathedral boiler over the next two years.

Risk management

The House has on-going processes which operated through-out the financial year for identifying, evaluating and managing the principal risks and uncertainties faced by the House and its subsidiaries in undertaking their activities. When it is not able to address risk issues using internal resources, the House takes advice from experts external to the House with specialist knowledge. Policies and procedures within the House are reviewed by the relevant House committee, chaired by the Dean. Financial risks are assessed by the Finance Committee and investment risks are monitored by the Investment Group, a sub-group of the Finance Committee. In addition, the Steward and staff heads meet regularly to review health and safety issues. Training courses and other forms of career development are available to members of staff to enhance their skills in risk-related areas.

The Governing Body, who have ultimate responsibility for managing any risks faced by the House, have reviewed the processes in place for managing risk and the principal identified risks to which the House and its subsidiaries are exposed and have concluded that adequate systems are in place to manage these risks.

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The principal risks and uncertainties faced by the House and its subsidiaries that have been identified are categorised as follows:

Risk	Measures
1. Recruitment of staff (academic and non-academic)	Terms and conditions of service reviewed regularly
2. Reputational risk from lapses in academic standards	Monitor admissions procedures, student satisfaction and exam results
3. IT network and data security	Investment in people and hardware/software
4. Disaster	Recovery planning procedures reviewed regularly, liaison with emergency services
5. Decline in purchasing power of the endowment	Diversified portfolio and close oversight from the Investment Group

Investment policy, objectives and performance

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

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

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

Investment policy and strategy are set by the Governing Body as advised by the Investment Group from time to time and performance is regularly monitored by the Investment Group. At the year end, the House's long term investments, combining securities and property investments, totalled £456.6m (2014-15: £421.0m). The overall total investment return, after spending, was +10.6% (2014-15: +14.5%) over the year.

The carrying value of the preserved permanent capital and the amount of any unapplied total return available for expenditure was taken as the open market values of these funds as at 1 August 2001 together with the original gift value of all subsequent endowment received.

On the total return basis of investing, it is the Governing Body's policy to extract as income 3.25% (plus investment management costs) of the value of the relevant investments. However, to smooth and moderate the amounts withdrawn, this 3.25% is calculated on the average of the year-end values in each of the preceding five years. Due to increasing investment values over the previous five years, the effective amounts withdrawn are currently less than the nominal 3.25% stated in this policy.

The equivalent of such 3.25% of the opening value of the securities and property investments, plus costs, was extracted as income on the total return basis in the year. The Governing Body will keep the level of income withdrawn under review to balance the needs and interests of current and future beneficiaries of the House's activities.

FUTURE PLANS

The House seeks to continue to fulfil its core purposes. To this end, its policies in all areas are reviewed regularly by the committees set out on page 6, and by the Governing Body. The House has identified as its most urgent need the requirement to increase its endowment to assure the future funding of academic teaching posts and to provide for bursaries and fee remission to guarantee continuing access under the current university funding regime. Two main strands of its development campaign are therefore the 'in perpetuity' scheme which encourages donations to support the teaching enterprise, and the

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'bursaries' scheme to provide funding for enhanced student support. The House is planning to invest in improved facilities over the next few years, particularly in the areas of student accommodation.

STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES

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

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

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

- select the most suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the House will continue to operate.

The Governing Body is responsible for keeping proper accounting records that are sufficient to show and explain the House's transactions and disclose with reasonable accuracy at any time the financial position of the House and enable it to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the House 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 9 November 2016 and signed on its behalf by:

The Very Reverend Professor Martyn W Percy
Dean

Christ Church

Independent Auditor's Report to the Members of the Governing Body of Christ Church

We have audited financial statements of Christ Church for the year ended 31 July 2016 which comprise the Statement of Accounting Policies, the Consolidated Statement of Financial Activities, the Consolidated and House Balance Sheets, the Consolidated Statement of Cash Flows and the related notes numbered 1 to 33.

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

Respective responsibilities of the Governing Body and auditors

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

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

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

Scope of the audit of the financial statements

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

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

Opinion on financial statements

In our opinion the financial statements:

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

Matters on which we are required to report by exception

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

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

Critchleys LLP

Statutory Auditor

Oxford

16 November 2016

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

1. Scope of the financial statements

The financial statements present the Consolidated Statement of Financial Activities (SOFA), the Consolidated and College Balance Sheets and the Consolidated Statement of Cash Flows for the House and its wholly-owned subsidiaries Christ Church Library Charity Limited, Christ Church Oxford Trading Limited and Christ Church Developments Limited. The subsidiaries have been consolidated from the date of their formation being the date from which the House has exercised control through voting rights in the subsidiaries. No separate SOFA has been presented for the House alone as permitted by the Charity Commission on a concessionary basis for the filing of consolidated financial statements. A summary of the results and financial position of the charity and each of its material subsidiaries for the reporting year are disclosed in note 13.

2. Basis of accounting

The House'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 House is a public benefit entity for the purposes of FRS 102 and a registered charity. The House 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 House has adopted FRS 102 for the first time when preparing these financial statements. The transition date to FRS 102 was 1 August 2014 and the last financial statements prepared under the previous financial reporting framework were prepared for the year ended 31 July 2015. An explanation and reconciliation of how the transition to FRS 102 has affected the reported financial position and financial performance is provided in note 33.

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

3. Accounting judgements and estimation uncertainty

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

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

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

4. Income recognition

All income is recognised once the House 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 House's unrestricted funds, HEFCE support and charges for services and use of the premises are recognised and accounted for 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 House 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 House and it is probable that the specified conditions will be met.

Legacies are recognised following grant of probate and once the House 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 House is probable.

Donations, grants and legacies accruing for the general purposes of the House 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 House to expenditure that will probably require settlement, the amount of which can be reliably measured or estimated.

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

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

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

Intra-group sales and charges between the House 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 £20,000 together with expenditure on equipment costing more than £20,000 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 House and its subsidiaries is charged to the SOFA as incurred.

8. Depreciation

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

Freehold properties, including major extensions	50 years
Leasehold properties	50 years or period of lease if shorter
Building improvements	10 - 30 years
Equipment	3 - 10 years
Books	2% pa reducing balance

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

Properties held under a Shared Equity House Purchase scheme are held at the original cost of the House's share and are not depreciated.

9. Heritage Assets

The House has chosen to hold heritage assets at cost. The House 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 House are recognised at fair value. The House 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

Christ Church has employed an interest rate swap on one occasion in 2008 to fix the cost of its debt for 30 years.

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

b. Cash and cash equivalents

Cash and cash equivalents include cash at banks and in hand and short term deposits with a maturity date of three months or less.

c. Debtors and creditors

Debtors and creditors receivable or payable within one year of the reporting date are carried at their 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 and its subsidiaries is the pound sterling.

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

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

14. Total Return investment accounting

The House's Statutes authorise the House to adopt a 'total return' basis for the investment of its permanent endowment. The House can invest its permanent endowment 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 House and its subsidiaries are allocated to unrestricted, restricted or endowment funds based on the origins of 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 House 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 specified that the funds are to be used for particular purposes of the House. 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 be maintained and with the intention that the income will be used for specific purposes within the House's objects.

Permanent endowment funds arise where donors specify that the funds are to be retained as capital for the permanent benefit of the House. 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 House has determined based on the circumstances that they have been given, for the long term benefit of the House. However, the Governing Body may at its discretion determine to spend all or part of the capital.

16. Pension costs

The costs of retirement benefits provided to employees of the House through a number of 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 House's contributions to these schemes are recognised as a liability and an expense in the period in which the salaries to which the contributions relate are payable.

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

The College also operates a defined contribution pension scheme. Contributions to these arrangements are charged to the SOFA in the period in which they are payable.

Christ Church
Consolidated Statement of Financial Activities
For the year ended 31 July 2016

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2016 Total £'000	2015 Total £'000
INCOME AND ENDOWMENTS FROM:						
Charitable activities:	1					
Teaching, research and residential		9,313	-	-	9,313	8,710
Cathedral School		2,073	-	-	2,073	1,937
Cathedral		135	121	5	261	279
Other Trading Income	3	925	-	-	925	727
Donations and legacies	2	256	410	2,897	3,563	5,221
Investments:						
Investment income	4	142	50	5,307	5,499	6,036
Total return allocated to income	14	7,319	4,264	(11,583)	-	-
Other income		58	18	-	76	84
Total income		20,221	4,863	(3,374)	21,710	22,994
EXPENDITURE ON:						
	5					
Charitable activities:						
Teaching, research and residential		16,168	2,903	-	19,071	16,657
Other charitable activities		-	558	-	558	494
Cathedral School		2,233	-	-	2,233	2,106
Cathedral		1,240	136	-	1,376	1,881
Generating funds:						
Fundraising		629	-	-	629	602
Trading expenditure		919	-	-	919	909
Investment management costs		132	-	2,442	2,574	1,883
Total Expenditure		21,321	3,597	2,442	27,360	24,532
Net Income/(Expenditure) before gains		(1,100)	1,266	(5,816)	(5,650)	(1,538)
Net gains/(losses) on investments	11, 12	-	-	40,987	40,987	51,264
Net Income/(Expenditure)		(1,100)	1,266	35,171	35,337	49,726
Transfers between funds	19	505	(851)	346	-	-
Net Income/(Expenditure) after transfers		(595)	415	35,517	35,337	49,726
Other recognised gains/losses						
Gains/(losses) on complex financial instruments	25	(2,651)	-	-	(2,651)	(4,903)
Net movement in funds for the year		(3,246)	415	35,517	32,686	44,823
Fund balances brought forward	19	(867)	8,419	421,065	428,617	383,794
Funds carried forward at 31 July		(4,113)	8,834	456,582	461,303	428,617

Christ Church
Consolidated and College Balance Sheets
As at 31 July 2016

	Notes	2016 Group £'000	2015 Group £'000	2016 College £'000	2015 College £'000
FIXED ASSETS					
Tangible assets	9	11,303	11,722	7,716	8,089
Property investments	11	105,730	100,369	105,630	100,269
Other Investments	12	350,982	320,825	350,689	320,546
Total Fixed Assets		468,015	432,916	464,035	428,904
CURRENT ASSETS					
Stocks		575	555	574	553
Debtors	15	4,120	5,386	8,230	9,589
Investments		-	2	-	2
Cash at bank and in hand		16,849	15,121	15,802	14,158
Total Current Assets		21,544	21,064	24,606	24,302
LIABILITIES					
Creditors: Amounts falling due within one year	16	7,550	7,423	6,888	6,813
NET CURRENT ASSETS		13,994	13,641	17,718	17,489
TOTAL ASSETS LESS CURRENT LIABILITIES		482,009	446,557	481,753	446,393
CREDITORS: falling due after more than one year	17	17,554	14,903	17,554	14,903
Provisions for liabilities and charges	18	248	249	248	249
NET ASSETS BEFORE PENSION LIABILITY		464,207	431,405	463,951	431,241
Defined benefit pension scheme liability	23	2,904	2,788	2,904	2,788
TOTAL NET ASSETS		461,303	428,617	461,047	428,453
FUNDS OF THE COLLEGE					
Endowment funds		456,582	421,065	456,220	420,716
Restricted funds		8,834	8,419	8,380	8,110
Unrestricted funds					
Designated funds		553	555	472	482
General funds		1,838	2,315	6,433	6,836
Revaluation reserve		3,954	3,954	-	-
Pension and loan swap reserve	19/23	(10,458)	(7,691)	(10,458)	(7,691)
		461,303	428,617	461,047	428,453

The financial statements were approved and authorised for issue by the Governing Body of Christ Church on 9 November 2016

The Very Reverend Professor Martyn Percy
Dean

Mr James Lawrie
Treasurer

Christ Church
Consolidated Statement of Cash Flows
For the year ended 31 July 2016

	Notes	2016 £'000	2015 £'000
Net cash provided by (used in) operating activities	26	<u>(11,982)</u>	<u>(9,298)</u>
Cash flows from investing activities			
Dividends, interest and rents from investments		5,499	6,036
Proceeds from the sale of property, plant and equipment		1	708
Purchase of property, plant and equipment		(158)	(514)
Proceeds from sale of investments		36,514	85,896
Purchase of investments		<u>(31,045)</u>	<u>(84,251)</u>
Net cash provided by (used in) investing activities		<u>10,811</u>	<u>7,875</u>
Cash flows from financing activities			
Repayments of borrowing		-	-
Cash inflows from new borrowing		-	-
Receipt of endowment		2,897	4,677
Net cash provided by (used in) financing activities		<u>2,897</u>	<u>4,677</u>
 Change in cash and cash equivalents in the reporting period		 <u>1,726</u>	 <u>3,254</u>
 Cash and cash equivalents at the beginning of the reporting period		 15,123	 11,869
 Change in cash and cash equivalents due to exchange rate movements		 -	 -
 Cash and cash equivalents at the end of the reporting period	27	 <u>16,849</u>	 <u>15,123</u>

Christ Church
Notes to the financial statements
For the year ended 31 July 2016

1 INCOME FROM CHARITABLE ACTIVITIES

	2016 £'000	2015 £'000
Teaching, Research and Residential		
Unrestricted funds		
Tuition fees - UK and EU students	1,698	1,698
Tuition fees - Overseas students	817	648
Other fees	50	54
Other HEFCE support	316	378
Other academic income	88	82
College residential income	4,013	3,975
Tourism income	2,331	1,875
	9,313	8,710
Total Teaching, Research and Residential	9,313	8,710
Public worship		
Unrestricted funds		
Cathedral School income	2,073	1,937
Cathedral income	135	239
	2,208	2,176
Restricted funds		
Cathedral income	121	34
	121	34
Endowed funds		
Cathedral income	5	6
	5	6
Total Public worship	2,334	2,216
Total income from charitable activities	11,647	10,926

The above analysis includes £2,831k received from Oxford University from publicly accountable funds under the CFF Scheme (2014-15: £2,723k).

Under the terms of the undergraduate student support package offered by Oxford University to students from lower income households, the House's share of the fees waived amounted to £38k (2014-15: £45k). These are not included in the fee income reported above.

2 DONATIONS AND LEGACIES

	2016 £'000	2015 £'000
Donations and Legacies		
Unrestricted funds	256	103
Restricted funds	410	441
Endowed funds	2,897	4,677
	3,563	5,221

3 INCOME FROM OTHER TRADING ACTIVITIES

	2016 £'000	2015 £'000
Subsidiary company trading income	925	727
	925	727

Christ Church
Notes to the financial statements
For the year ended 31 July 2016

4 INVESTMENT INCOME

	2016 £'000	2015 £'000
<i>Unrestricted funds</i>		
Agricultural rent	2	2
Bank interest	138	93
Other interest	2	2
	<u>142</u>	<u>97</u>
<i>Restricted funds</i>		
Other interest	50	54
	<u>50</u>	<u>54</u>
<i>Endowed funds</i>		
Agricultural rent	612	514
Commercial rent	1,876	2,817
Other property income	1,551	1,269
Equity dividends	38	-
Other investment income	1,230	1,285
	<u>5,307</u>	<u>5,885</u>
Total Investment income	<u>5,499</u>	<u>6,036</u>

5 ANALYSIS OF EXPENDITURE

	2016 £'000	2015 £'000
Charitable expenditure		
Direct staff costs allocated to:		
Teaching, research and residential	7,116	6,756
Other direct costs allocated to:		
Teaching, research and residential	9,844	7,525
Other charitable activities	558	494
Cathedral school	1,376	1,881
Cathedral	2,188	2,061
Support and governance costs allocated to:		
Teaching, research and residential	2,111	2,376
Cathedral school	45	45
Total charitable expenditure	<u>23,238</u>	<u>21,138</u>
Expenditure on generating funds		
Direct staff costs allocated to:		
Fundraising	379	366
Trading and tourism expenditure	397	386
Other direct costs allocated to:		
Fundraising	178	153
Trading and tourism expenditure	421	408
Investment management costs	2,442	1,755
Support and governance costs allocated to:		
Fundraising	72	83
Trading and tourism expenditure	101	115
Investment management costs	132	128
Total expenditure on generating funds	<u>4,122</u>	<u>3,394</u>
Total expenditure	<u>27,360</u>	<u>24,532</u>

The 2015 expenditure of £24,532k represented £19,413k from unrestricted funds, £3,363k from restricted funds and £1,756k from endowed funds.

The House 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 Houses on the basis of need. Contributions are calculated annually in accordance with regulations made by the Council of the University of Oxford. The teaching, research and residential costs include College Contribution payable of £425k (2015 - £336k).

Christ Church
Notes to the financial statements
For the year ended 31 July 2016

6 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

	Generating Funds £'000	Teaching and Research £'000	Public Worship, Choir & Choir School £'000	Heritage £'000	2016 Total £'000
Financial administration	198	205	0	0	403
Domestic administration	73	490	0	0	563
IT	12	262	0	0	274
Depreciation	3	528	45	0	576
Bank interest payable	0	487	0	0	487
Other finance charges	19	96	0	0	115
Governance costs	0	43	0	0	43
	305	2,111	45	0	2,461

	Generating Funds £'000	Teaching and Research £'000	Public Worship, Choir & Choir School £'000	Heritage £'000	2015 Total £'000
Financial administration	192	251	0	0	443
Domestic administration	182	367	0	0	549
IT	11	260	0	0	271
Depreciation	3	527	46	0	576
Bank interest payable	0	501	0	0	501
Other finance charges	19	352	0	0	371
Governance costs	0	37	0	0	37
	407	2,295	46	0	2,748

Financial and domestic administration and IT 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 comprise:

Auditor's remuneration - audit services
Other governance costs

	2016 £'000	2015 £'000
Auditor's remuneration - audit services	40	36
Other governance costs	3	1
	43	37

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

7 GRANTS AND AWARDS

	2016 £'000	2015 £'000
During the year the House funded research awards and bursaries to students from its restricted and unrestricted funds as follows:		
Unrestricted funds		
Grants to individuals:		
Scholarships, prizes and grants	54	74
Bursaries and hardship awards	25	12
Total unrestricted	79	86
Restricted funds		
Grants to individuals:		
Scholarships, prizes and grants	305	290
Bursaries and hardship awards	291	286
Total restricted	596	576
Total grants and awards	675	662

The figure included above represents the cost to the House of the Oxford Bursary Scheme. Students of this House received £111k (2015: £117k). Some of those students also received fee waivers amounting to £38k (2015: £45k).

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

Christ Church
Notes to the financial statements
For the year ended 31 July 2016

8 STAFF COSTS

	2016 £'000	2015 £'000
The aggregate staff costs for the year were as follows.		
Salaries and wages	6,681	6,432
Social security costs	527	467
Pension costs:		
Defined benefit schemes	1,212	1,380
Defined contribution schemes	0	0
Other benefits	571	538
	8,991	8,817

	2016	2015
The average number of employees of the House, excluding Trustees, on a full time equivalent basis was as follows:		
Tuition and research	57	51
College residential	122	107
Trading and tourism	19	15
Cathedral	19	20
Cathedral School	61	59
Fundraising	7	6
Support	75	74
Total	360	332

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

University Lecturers	21	21
CUF Lecturers	14	14
Faculty Lecturers	1	1
Other teaching and research	6	6
Other	10	10
Total	52	52

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

The number of employees (excluding members of Governing Body) during the year whose gross pay and benefits (excluding employer NI and pension contributions) falling within the following bands was:

£60,001-£70,000	4	5
£70,001-£80,001	2	2
£80,001-£90,001	1	0
	7	7

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

In defined benefits schemes	7	7
In defined contribution schemes	0	0
	7	7

The House's contributions to defined contribution pension schemes totalled	0	0
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Christ Church
Notes to the financial statements
For the year ended 31 July 2016

9 TANGIBLE FIXED ASSETS

Group	Leasehold land and buildings £'000	Freehold land and buildings £'000	Plant and machinery £'000	Total £'000
Cost				
At start of year	417	9,074	6,334	15,825
Additions	0	0	158	158
Disposals	0	(1)	(1)	(2)
At end of year	417	9,073	6,491	15,981
Depreciation and impairment				
At start of year	0	2,241	1,862	4,103
Depreciation charge for the year	0	332	244	576
Depreciation on disposals	0	0	(1)	(1)
Impairment	0	0	0	0
At end of year	0	2,573	2,105	4,678
Net book value				
At end of year	417	6,500	4,386	11,303
At start of year	417	6,833	4,472	11,722
College	Leasehold land and buildings £'000	Freehold land and buildings £'000	Plant and machinery £'000	Total £'000
Cost				
At start of year	417	8,226	2,514	11,157
Additions	0	0	83	83
Disposals	0	(1)	0	(1)
At end of year	417	8,225	2,597	11,239
Depreciation and impairment				
At start of year	0	1,962	1,106	3,068
Charge for the year	0	315	140	455
On disposals	0	0	0	0
Impairment	0	0	0	0
At end of year	0	2,277	1,246	3,523
Net book value				
At end of year	417	5,948	1,351	7,716
At start of year	417	6,264	1,408	8,089

The House has substantial long-held historic assets all of which are used in the course of the House's teaching and research activities. These comprise listed buildings on the House 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.

Christ Church
Notes to the financial statements
For the year ended 31 July 2016

10 HERITAGE ASSETS

The House holds a collection of early printed books, manuscripts and photographs, circa 650 paintings, circa 3,000 prints and circa 2,000 drawings, a collection of 18th and 19th century English glass and a number of Russian icons of the 17th and 18th century. All of these were donated to the House between 1710 and 1980 on the understanding that it will preserve them and make them accessible to scholars and, within appropriate limits, to members of the public. Heritage assets are held at historical cost which in the opinion of the Trustees is now immaterial. The Trustees consider the cost to carry out a valuation of these heritage assets held would not be commensurate with the benefit to the users of the financial statements.

Christ Church is one of the major research libraries in the world, home to many thousands of priceless documents and collections. They encompass a vast array of rare and unique materials in a number of formats, ranging from illuminated manuscripts and early printed books to family papers, maps, artefacts and images. These collections support research by members of Christ Church and Oxford University, as well as an international community of scholars.

Christ Church is unique among the Oxford and Cambridge colleges in possessing an important collection of Old Master paintings and drawings, housed in a purpose-built gallery of considerable architectural interest. The Picture Gallery is open to members of the public, Christ Church and Oxford University and the Old Master collection has been on view to the public since 1768.

11 PROPERTY INVESTMENTS

Group	Agricultural £'000	Commercial £'000	Other £'000	2016 Total £'000	2015 Total £'000
Valuation at start of year	56,562	15,898	27,909	100,369	102,944
Additions and improvements at cost	5,278	0	0	5,278	4,791
Disposals	(1,849)	(146)	(5,002)	(6,997)	(24,852)
Revaluation gains/(losses) in the year	1,484	3,017	2,579	7,080	17,486
Valuation at end of year	61,475	18,769	25,486	105,730	100,369
College	Agricultural £'000	Commercial £'000	Other £'000	2016 Total £'000	2015 Total £'000
Valuation at start of year	56,462	15,898	27,909	100,269	102,844
Additions and improvements at cost	5,278	0	0	5,278	4,791
Disposals	(1,849)	(145)	(5,003)	(6,997)	(24,852)
Revaluation gains/(losses) in the year	1,484	3,017	2,579	7,080	17,486
Valuation at end of year	61,375	18,770	25,485	105,630	100,269

A formal valuation of the agricultural, commercial and residential properties was prepared by Savills (L&P) Limited as at 31 July 2016.

In addition to the direct property investments stated above the House holds a total of £50.6m of indirect property in five property specific investments as well as exposure in diversified funds.

12 OTHER INVESTMENTS

All investments are held at fair value.

	2016 £'000	2015 £'000
Group investments		
Valuation at start of year	320,825	268,631
New money invested	25,726	79,420
Amounts withdrawn	(17,633)	(75,009)
(Decrease)/ increase in cash held	(11,884)	13,965
Investment management fees	41	40
Increase in value of investments	33,907	33,778
Group investments at end of year	350,982	320,825

Christ Church
Notes to the financial statements
For the year ended 31 July 2016

12 OTHER INVESTMENTS CONTINUED

College investments			
Valuation at start of year		320,446	268,278
New money invested		25,726	79,420
Amounts withdrawn		(17,633)	(75,009)
(Decrease)/ increase in cash held		(11,889)	13,952
Investment management fees		41	40
Increase in value of investments		33,898	33,765
		<u>350,589</u>	<u>320,446</u>
Investment in subsidiaries		100	100
College investments at end of year		<u>350,689</u>	<u>320,546</u>

Group investments comprise:	Held outside the UK £'000	Held in the UK £'000	2016 Total £'000	Held outside the UK £'000	Held in the UK £'000	2015 Total £'000
Equity investments	0	52,507	52,507	0	60,250	60,250
Global multi-asset funds	0	229,789	229,789	0	195,220	195,220
Property funds	0	50,628	50,628	0	35,413	35,413
Fixed term deposits and cash	0	18,058	18,058	0	29,942	29,942
Total group investments	<u>0</u>	<u>350,982</u>	<u>350,982</u>	<u>0</u>	<u>320,825</u>	<u>320,825</u>

13 PARENT AND SUBSIDIARY UNDERTAKINGS

The House holds 100% of the issued share capital in Christ Church Developments Limited, a company providing design and build construction services to the House, and 100% of the issued share capital in Christ Church Oxford Trading Limited, a company providing conference and other event services on the House's premises, and 100% of the issued share capital of Christ Church (Evesham) Limited, a company holding agricultural land in Evesham. Christ Church is also the ultimate parent company of Christ Church Library Charity Limited, a company limited by guarantee which provides library facilities to the House.

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

	The House £'000	Christ Church (Evesham) Limited £'000	Christ Church Developments Limited £'000	Christ Church Oxford Trading £'000	Christ Church Library Charity Limited £'000
Income	20,782	2	0	926	0
Expenditure	(26,360)	(1)	0	(812)	(72)
Donation to the House under gift aid	0	(1)	0	(114)	0
Result for the year	<u>(5,578)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(72)</u>
Total assets	488,641	103	58	472	3,249
Total liabilities	(27,594)	(21)	(42)	(472)	(3,696)
Net funds at the end of year	<u>461,047</u>	<u>82</u>	<u>16</u>	<u>0</u>	<u>(447)</u>

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

14 STATEMENT OF INVESTMENT TOTAL RETURN

The Trustees have adopted a duly authorised policy of total return accounting for the House's investment returns with effect from 1 August 2001. The investment return to be applied as income is calculated as 3.25% (2015: 3.25%) (plus costs) of the average of the year-end values of the relevant investments in each of the preceding five years. The preserved (frozen) value of the invested endowment capital represents its open market value in 2002 together with all subsequent endowments valued at date of gift.

	Permanent Endowment Unapplied Trust for Investment £'000	Total Return £'000	Total £'000	Expendable Endowment £'000	Total Endowments £'000
At the beginning of the year:					
Gift component of the permanent endowment	8,627		8,627		8,627
Unapplied total return		3,750	3,750		3,750
Expendable endowment				408,688	408,688
Total Endowments	8,627	3,750	12,377	408,688	421,065
Movements in the reporting period:					
Gift of endowment funds	1,164		1,164	1,733	2,897
Investment return: total investment income		154	154	5,158	5,312
Investment return: realised and unrealised gains and losses		1,473	1,473	39,514	40,987
Less: Investment management costs		(72)	(72)	(2,370)	(2,442)
Other transfers			-	346	346
Total	1,164	1,555	2,719	44,381	47,100
Unapplied total return allocated to income in the reporting period		(382)	(382)	(11,201)	(11,583)
Expendable endowments transferred to income			-		-
	0	(382)	(382)	(11,201)	(11,583)
Net movements in reporting period	1,164	1,173	2,337	33,180	35,517
At end of the reporting period:					
Gift component of the permanent endowment	9,791		9,791		9,791
Unapplied total return		4,923	4,923		4,923
Expendable endowment				441,868	441,868
Total Endowments	9,791	4,923	14,714	441,868	456,582

15 DEBTORS

	2016 Group £'000	2015 Group £'000	2016 College £'000	2015 College £'000
Amounts falling due within one year:				
Trade debtors	1,590	1,592	1,354	1,345
Amounts owed by House members	285	318	285	318
Amounts owed by Group undertakings	0	0	651	689
Taxation and social security	3	4	0	0
Prepayments and accrued income	2,241	3,470	2,144	3,402
Other debtors	1	2	0	0
Amounts falling due after more than one year:				
Loans	0	0	3,796	3,835
	4,120	5,386	8,230	9,589

16 CREDITORS: falling due within one year

	2016 Group £'000	2015 Group £'000	2016 College £'000	2015 College £'000
Trade creditors	1,966	2,005	1,716	1,677
Amounts owed to College Members	100	89	100	89
Amounts owed to Group undertakings	0	0	170	154
Taxation and social security	439	372	374	296
College contribution	380	335	380	335
Accruals and deferred income	4,665	4,622	4,148	4,262
	7,550	7,423	6,888	6,813

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17 CREDITORS: falling due after more than one year

	2016 Group £'000	2015 Group £'000	2016 College £'000	2015 College £'000
Bank loans	10,000	10,000	10,000	10,000
Loan swap fair value	7,554	4,903	7,554	4,903
	17,554	14,903	17,554	14,903

On 1 February 2008 the House borrowed £10m from Barclays Bank plc at a floating rate of 3-month LIBOR plus 0.2%; interest is payable quarterly in arrears. The loan is repayable on 1 February 2038.

On 1 February 2008 the House also entered into an interest rate swap with Barclays Bank plc, under which it receives 3-month LIBOR and pays a fixed rate of interest of 4.783%. The notional amount of the swap is £10m, the swap is settled quarterly in arrears and expires on 1 February 2038. The fair value of the interest rate swap as at 31 July 2016 has been provided at £7,554k (2014-15 £4,903k).

18 PROVISIONS FOR LIABILITIES AND CHARGES

	2016 Group £'000	2015 Group £'000	2016 College £'000	2015 College £'000
At start of year	249	367	249	367
Charged in the Statement of Financial Activities	23	(81)	23	(81)
Settled in the year	(24)	(37)	(24)	(37)
At end of year	248	249	248	249

The above provision relates to pension liabilities for pensions payable to ex-employees by the House and not funded through an external pension scheme. The actuarial valuation has been provided by Xafinity Consulting as at 31 July 2016.

19 ANALYSIS OF MOVEMENTS ON FUNDS

	At 1 August 2015 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2016 £'000
Endowment Funds - Permanent						
Student Support Funds	5,322	242	(32)	9	531	6,072
Academic Posts Funds	9,223	1,118	(59)	(225)	989	11,046
Library Funds	49	1	0	(1)	5	54
Endowment Funds - Expendable						
Heyman-Moritz Benefaction	38,950	489	(225)	(1,080)	3,772	41,906
Dr South (3/5ths)	24,978	307	(141)	(680)	2,374	26,838
Lee Benefaction	9,143	115	(53)	(253)	885	9,837
Mercury Fund (5/7ths)	8,345	105	(48)	(231)	807	8,978
Buildings Funds	4,033	51	(23)	(111)	391	4,341
Gardens & Grounds Funds	385	5	(2)	(11)	37	414
Library Funds	2,174	38	(13)	(60)	212	2,351
Picture Gallery Funds	322	4	(2)	(9)	31	346
Academic Posts Funds	19,325	986	(116)	(502)	1,943	21,636
Student Support Funds	15,624	738	(93)	(410)	1,565	17,424
Cathedral & Chorister Support Funds	6,660	307	(40)	(176)	666	7,417
Benefices Funds	15,183	190	(88)	(421)	1,471	16,335
Other Funds	4,950	189	(29)	15	492	5,617
General Endowment Funds	256,050	3,319	(1,478)	(7,091)	24,808	275,608
Total Endowment Funds - College	420,716	8,204	(2,442)	(11,237)	40,979	456,220
Endowment funds held by subsidiaries	349	5	-	-	8	362
Total Endowment Funds - Group	421,065	8,209	(2,442)	(11,237)	40,987	456,582

Christ Church
Notes to the financial statements
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19 ANALYSIS OF MOVEMENTS ON FUNDS CONTINUED

	At 1 August 2015 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2016 £'000
Restricted Income Funds - Permanent						
Student Support Funds	332	2	(94)	(37)	0	203
Library Funds	7	0	0	(2)	0	5
Academic Posts Funds	62	0	(169)	225	0	118
Sub-total Restricted income (Permanent)	401	2	(263)	186	0	326
Restricted Income Funds - Expendable						
Heyman-Moritz Benefaction	0	0	(1,066)	1,080	0	14
Dr South (3/5ths)	784	20	(542)	680	0	942
Lee Benefaction	210	1	(241)	253	0	223
Mercury Fund (5/7ths)	107	0	(202)	231	0	136
Buildings	6	0	0	3	0	9
Gardens & Grounds Funds	0	0	(1)	1	0	0
Library Funds	7	1	(50)	59	0	17
Picture Gallery Funds	5	0	(4)	4	0	5
Academic Posts Funds	435	2	(375)	444	0	506
Student Support Funds	675	27	(238)	458	0	922
Cathedral & Chorister Support Funds	29	2	(176)	176	0	31
Benefices Funds	64	0	(16)	16	0	64
Other Funds	82	0	(80)	85	0	87
Sub-total Restricted income (Expendable)	2,404	53	(2,991)	3,490	0	2,956
Buildings Funds	4,662	92	(20)	(183)	0	4,551
Gardens & Grounds Funds	1	2	0	0	0	3
Library Funds	157	45	(49)	0	0	153
Picture Gallery Funds	88	1	(11)	0	0	78
Academic Posts Funds	0	30	(30)	0	0	0
Student Support Funds	172	177	(100)	(100)	0	149
Cathedral & Chorister Support Funds	13	75	(87)	0	0	1
Other Funds	212	1	(70)	20	0	163
Sub-total Restricted income funds	5,305	423	(367)	(263)	0	5,098
Total Restricted Funds - College	8,110	478	(3,621)	3,413	0	8,380
Restricted funds held by subsidiaries	309	121	24	0	0	454
Total Restricted Funds - Group	8,419	599	(3,597)	3,413	0	8,834
Unrestricted Funds						
Designated funds	482	114	(178)	54	0	472
General funds	6,842	10,567	(18,738)	7,770	0	6,441
Pension reserve	(2,788)	0	(116)	0	0	(2,904)
Loan swap fair value reserve	(4,903)	0	0	0	(2,651)	(7,554)
Total Unrestricted Funds - College	(367)	10,681	(19,032)	7,824	(2,651)	(3,545)
Designated funds - subsidiaries	72	21	(12)	0	0	81
General funds - subsidiaries	(572)	2,200	(2,277)	0	0	(649)
Total Unrestricted Funds - subsidiaries	(500)	2,221	(2,289)	0	0	(568)
Total Unrestricted Funds - Group	(867)	12,902	(21,321)	7,824	(2,651)	(4,113)
Total Funds	428,617	21,710	(27,360)	-	38,336	461,303

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20 FUNDS OF THE HOUSE DETAILS

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

Endowment Funds - Permanent:

Grouped funds for restricted purposes

A consolidation of capital balances of past donations where related income, but not the original capital, can be used for the restricted purposes of the charity as indicated in the grouped headings.

Endowment Funds - Expendable:

1. Heyman-Moritz Benefaction

Capital balance of past donations where related income, or income and capital, can be used for the restricted purposes of the charity. This is a mixed use fund supporting the costs of Joint Academic posts, the cost of up to four Career Development Fellow Scientists, graduate bursaries and undergraduate financial support and contribution to major building development projects.

2. Dr South (3/5ths)

Capital balance of past donations where related income, or income and capital, can be used for the restricted purposes of the charity towards the augmentation of small Benefices in the patronage of the Dean and Chapter and to award annual grants to Incumbents of the 12 Livings specified in Dr South's will, extended to include two further Livings by Court Order dated 29 May, 1869 and as subsequently extended.

3. Lee Benefaction

Capital balance of past donations where related income, or income and capital, can be used for the restricted purposes of paying the stipend and incidental expenses of the Lee Readers in Anatomy, Chemistry and Physics, and in the case of accumulated revenue of the furtherance of any branch of medical or scientific teaching or research.

4. Mercury Fund (5/7ths)

Capital balance of past donations where related income, or income and capital, can be used for the restricted purpose of the advancement of learning, science or education with particular reference to the preservation and development of the tutorial system.

5. Grouped funds for restricted purposes

A consolidation of capital balances of past donations where related income, or income and capital, can be used for the restricted purposes of the charity as indicated in the grouped headings.

6. General Endowment Funds

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

Restricted Funds:

Restricted income from Permanent

Income generated from Permanent Endowment not spent and available for future costs on the restricted purposes of the charity as indicated in the grouped headings.

Restricted income from Expendable

Income generated from Expendable Endowments 1 to 5 not spent and available for future costs of of the restricted purposes applicable to the endowment funds.

Restricted income funds

A consolidation of gifts and donations where both income and capital can be used for the restricted purposes of the charity as indicated in the grouped headings.

Designated Funds

Designated Funds

Unrestricted Funds allocated by Governing Body for future costs as designated and therefore are not available for expenditure on the House's general purposes.

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

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21 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2016 Total £'000
Tangible fixed assets	11,300	0	0	11,300
Property investments	100	0	105,630	105,730
Other investments	(8,643)	8,380	350,952	350,689
Net current assets	3,130	454	0	3,584
Long term liabilities	(10,000)	0	0	(10,000)
	<u>(4,113)</u>	<u>8,834</u>	<u>456,582</u>	<u>461,303</u>

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2015 Total £'000
Tangible fixed assets	11,720	0	0	11,720
Property investments	100	0	100,269	100,369
Other investments	0	0	320,844	320,844
Net current assets	5,004	8,419	(48)	13,375
Long term liabilities	(10,000)	0	0	(10,000)
	<u>6,824</u>	<u>8,419</u>	<u>421,065</u>	<u>436,308</u>

22 TRUSTEES' REMUNERATION

The Fellows who are the Trustees of the House 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 House for the academic services they provide to the House.

Trustees of the House 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 House receive salaries for their work as employees. Where possible, 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. Seven trustees live in houses owned by the House and pay market rent on a monthly basis.

The Salaries Board makes recommendations relating to the remuneration of Members of Governing Body as well as to other members of the House's academic staff who are not members of Governing Body and a small number of other members of staff. The Board initiates proposals relating to remuneration and also considers recommendations initiated by other committees. The Board has five internal members and three external members. The Statutes of Christ Church provide (a) that the Board can only make recommendations relating to remuneration of all or any members of Governing Body if it has been approved, not only by a majority of the Board as a whole, but also by a majority of the three external members: (b) that in determining any question relating to the remuneration of its members, the Governing Body cannot approve any arrangements which would confer on any of its members a greater benefit than that recommended in relation to those members by the Salaries Board.

Composition of the Salaries Board is set out on pages 2 and 3 of the Report of Governing Body.

Trustees employed by the House fall into the following categories:

Official Students
Fixed Term Students
Ordinary Students
Research Students
Canon Professors

There are also five trustees, the Dean, the Sub Dean, the Treasurer, the Steward and the Development Director who are employed full time on management and/or fundraising.

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2.2 TRUSTEES' REMUNERATION CONTINUED

Some trustees are eligible for college housing schemes. 12 trustees live in houses owned by the House. Others may be eligible for a housing allowance which is disclosed within the salary figures below. 8 trustees live in houses owned jointly with the House under the Shared Equity House Purchase Scheme, in which case the housing allowance is reduced accordingly. There were no such properties purchased or sold in the year.

Some trustees receive further allowances for additional work carried out as part time college officers, e.g. Senior and Junior Censors, Librarian, Tutor for Admissions, Tutor for Graduates and Development Advisor. These amounts are included within the remuneration figures below.

Remuneration paid to trustees

Range	2015-16		2014-15	
	Number of Trustees/Fellows	Gross remuneration, taxable benefits and pension contributions	Number of Trustees/Fellows	Gross remuneration, taxable benefits and pension contributions
		£		£
£1-£4,999	2	2,148	3	4,466
£5,000-£9,999	1	7,334	0	-
£10,000-£14,999	3	38,425	6	83,803
£15,000-£19,999	5	78,781	2	36,077
£20,000-£24,999	2	45,598	5	112,008
£25,000-£29,999	12	333,521	11	290,456
£30,000-£34,999	6	192,350	7	228,874
£35,000-£39,999	6	214,603	2	71,304
£40,000-£44,999	0	-	2	85,570
£45,000-£49,999	2	92,481	2	95,042
£50,000-£54,999	2	107,706	3	155,436
£55,000-£59,999	3	173,901	4	233,039
£60,000-£64,999	5	313,158	4	245,337
£65,000-£69,999	1	66,701	0	-
£70,000-£74,999	0	-	0	-
£75,000-£79,999	0	-	1	77,888
£80,000-£84,999	0	-	0	-
£85,000-£89,999	1	87,233	2	173,800
£90,000-£94,999	2	184,037	2	184,507
£95,000-£99,999	1	95,732	0	-
£100,000-£104,999	1	103,184	0	-
Total	55	2,136,893	56	2,077,607

12 trustees are not employees of the House and do not receive remuneration.

Some trustees, together with other senior employees, are eligible for private health insurance as part of their package of remuneration.

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

Other transactions with trustees

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

See also note 30 Related Party Transactions.

Key management remuneration

The day to day management is delegated to senior staff, as set out page 3, all of which are trustees of the House and hence the remuneration of key management staff is included above.

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23 PENSION SCHEMES

The House participates in five principal pension schemes on behalf of its staff - Universities Superannuation Scheme ("the USS"), the University of Oxford Staff Pension Scheme ("the OSPS"), the Church of England Funded Pension Scheme ("the CEFPS"), the Teachers' Pension Scheme ("the TPS") and The Pensions Trust ("the TPT"). All five schemes are contributory defined benefit schemes (i.e. they provide benefits based on length of service and pensionable salary). The assets of USS, OSPS, CEFPS and TPT are each held in separate trustee-administered funds.

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

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

Universities Superannuation Scheme

The pension charge for the year includes £459k (2015 - £420k) in relation to the USS. This represents contributions of £759k payable to the USS as adjusted by the change in the deficit funding liability between the opening and closing balance sheet dates of £73k.

USS's actuarial valuation as at 31 March 2014 takes into account the revised benefit structure effective 1 April 2016 agreed both by the Joint Negotiating Committee and the Trustee in July 2015 following the Employers' consultation which concluded in June 2015. Key changes agreed include: for Final Salary section members, the benefits built up to 31 March 2016 will be calculated as at that date using pensionable salary and pensionable service immediately prior to that date and going forwards will be revalued in line with increases in official pensions (currently CPI); all members will accrue a pension of 1/75th and a cash lump sum of 3/75ths of salary each year of service in respect of salary up to a salary threshold, initially £55,000 p.a. with the threshold applying from 1 October 2016; member contributions will be 8% of salary; a defined contribution benefit for salary in excess of the salary threshold at the total level of 20% (8% employee, 12% employer) of salary in excess of the salary threshold; and optional additional contributions payable into the defined contribution section from 1 October 2016 of which the first 1% of salary is to be matched by employer contributions. Further details about the changes may be reviewed on USS' website, www.uss.co.uk. For the period up to 1 April 2016 the employer deficit contribution was 0.7% p.a. of salaries based on the assumptions made. After allowing for those changes, the actuary established a long term employer contribution rate of 18% p.a. of salaries for the period from 1 April 2016 to 31 March 2031. On the assumptions made and with the salary threshold and defined contribution section implemented this gives rise to deficit contributions of at least 2.1% p.a. of salaries. At 31 March 2016 USS reported that the funding deficit had increased to £10.0 bn (83% funded) from £8.2bn (86% funded) at 31 March 2015. The next triennial valuation is due as at 31 March 2017.

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

A provision of £73k has been made at 31 July 2016 (2015 - £325k) for the present value of the estimated future deficit funding element of the contributions payable under this agreement. In determining the level of this provision it has been assumed that the House will continue to have a constant level of employee participation in this scheme and that the relevant earnings of these employees will increase in line with the actuary's projected long-term salary rate increases.

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

Oxford Staff Pension Scheme

The pension charge for the year includes £752k (2015 - £704k) in relation to the OSPS. This represents contributions of £780k payable to the OSPS as adjusted by the change in the deficit funding liability between the opening and closing balance sheet dates of (£28k).

OSPS' actuarial valuation as at 31 March 2013 identified a required long-term employer contribution rate of 20.1% of total pensionable salaries with a funding deficit of £173m. The University of Oxford, on behalf of all the employers participating in the scheme, has agreed with the trustees of OSPS to address this deficit by raising the employer contribution rate in increments of 0.5% of pensionable salary to 23.5%, with this increase being implemented over the three years to 1 August 2017. The actuary has certified that the additional contribution should eliminate the deficit by 30 June 2026. At 31 March 2015 the scheme reported a funding deficit of £213.4m (71% funded) compared to £134.8m (77% funded) as at 31 March 2014. The next triennial valuation is due with an effective date of 31 March 2016.

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

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23 PENSION SCHEMES CONTINUED

A reduction in the provision of £28k has been made at 31 July 2016 (2015 - reduction of £46k) for the present value of the estimated future deficit funding element of the contributions payable under this agreement. In determining the level of this provision it has been assumed that the House will continue to have a constant level of employee participation in this scheme and that the relevant earnings of these employees will increase in line with the actuary's projected long-term salary rate increases.

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

Church of England Funded Pension Scheme

The pension charge for the year includes £36k (2015 - £35k) in relation to the CEFPS.

The latest actuarial valuation of the CEFPS, carried out at 31 December 2015, identified a funding deficit of £236m (85% funded) compared to £293m (75% funded) as at 31 December 2012. The employer contribution rate will continue at 39.9% of the previous year's National Minimum Stipend, of which 28% is required for future service benefits and 11.9% for past service liabilities. The deficit recovery period remains unchanged and is scheduled to end on 31 December 2025. The next actuarial valuation of the CEFPA is due to take place as at 31 December 2018.

The Pension Trust

The pension charge for the year includes £28k (2015 - £23k) in relation to The Pensions Trust.

The latest actuarial valuation of the PT was carried out on 30 September 2014, identifying a funding deficit of £37.4m, with assets of £110.0m and a funding target of £147.4m, a funding level of 75%. The employer contribution rates have been set at 13.2% for the 1/60th scheme and 9.6% for the 1/80th scheme. The next valuation is due as at 30 September 2017.

Teachers' Pension Scheme

The pension charge for the year includes £123k (2015 - £105k) in relation to the Teachers' Pension Scheme.

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

Members of the Cathedral School's teaching staff are automatically eligible to join the TPS, which is administered by the Teachers' Pension Agency. The latest actuarial valuation of the Scheme by the Government Actuary was carried out as at 31 March 2012, and was published by the Department for Education on 9 June 2014. The value of the scheme liabilities (pensions currently in payment plus the estimated cost of future benefits) was £191,500m. The value of the notional assets (estimated future contributions together with the notional investments held at the valuation date) was £176,600m, giving a notional past service deficit of £14,900m. During the year the employer contribution rate was 16.48%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at 31 March 2016, where upon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019. The TPS is subject to a valuation by the actuary every four years.

A copy of the valuation report and supporting documentation can be found on the Teachers' Pensions website at <http://www.teacherspensions.co.uk>.

Pension charge for the year

The pension charge recorded by the House during the accounting period was equal to the contributions payable after allowance for the deficit recovery plan as follows:

Scheme	2016	2015
	£000's	£000's
Universities Superannuation Scheme	532	745
University of Oxford Staff Pension Scheme	752	704
Church of England Funded Pension Scheme	36	35
The Teachers Pension Scheme	123	105
The Pensions Trust	28	23
Total	1,471	1,612

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24 TAXATION

The House is able to take advantage of the tax exemptions available to charities from taxation in respect of income and capital gains received to the extent that such income and gains are applied to exclusively charitable purposes. No liability to corporation tax arises in the House's subsidiary companies because the directors of these companies have indicated that they intend to make donations each year to the House equal to the taxable profits of the company under the Gift Aid scheme. Accordingly no provision for taxation has been included in the financial statements.

25 FINANCIAL INSTRUMENTS

The financial statements include the following in respect of items held at fair value:

	2016			2015		
	Income £'000	Expense £'000	Gains / (losses) £'000	Income £'000	Expense £'000	Gains / (losses) £'000
Financial liabilities measured at fair value through profit or loss	0	0	(2,651)	0	0	(4,903)

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

	2016 Group £'000	2015 Group £'000
Net income/(expenditure)	35,337	49,726
Elimination of non-operating cash flows:		
Investment income	(5,499)	(6,036)
(Gains)/losses in investments	(40,987)	(51,264)
Endowment donations	(2,897)	(4,677)
Depreciation	576	575
(Surplus)/loss on sale of fixed assets	0	(17)
Decrease/(Increase) in stock	(20)	(5)
Decrease/(Increase) in debtors	1,266	2,330
(Decrease)/Increase in creditors	2,778	4,720
(Decrease)/Increase in provisions	(1)	(118)
(Decrease)/Increase in pension scheme liability	116	371
(Increase)/Decrease in loan swap reserve	(2,651)	(4,903)
Net cash provided by (used in) operating activities	<u>(11,982)</u>	<u>(9,298)</u>

27 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £'000 Group	2015 £'000 Group
Cash at bank and in hand	16,849	15,121
Notice deposits (less than 3 months)	0	2
Bank overdrafts	0	0
Total cash and cash equivalents	<u>16,849</u>	<u>15,123</u>

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28 FINANCIAL COMMITMENTS

At 31 July the House had annual commitments under non-cancellable operating leases as follows:

	2016 £'000	2015 £'000
Land and buildings		
expiring within one year	0	0
expiring between two and five years	0	0
expiring in over five years	0	0
	<u>0</u>	<u>0</u>
Other		
expiring within one year	7	7
expiring between two and five years	6	12
expiring in over five years	0	0
	<u>13</u>	<u>19</u>

29 CAPITAL COMMITMENTS

There are no capital commitments that require disclosure.

30 RELATED PARTY TRANSACTIONS

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

The House may enter into equity sharing arrangements with an Official Student, Officers of the House or other persons employed by the House under Statute XXVII(5). The House has properties with the following net book values owned jointly with trustees under joint equity ownership agreements between the trustee and the House.

	2016 £'000	2015 £'000
Dr A Kuhn	274	274
Dr B Young	190	190
Dr D Aarts	233	233
Dr B Parkinson	310	310
Dr E Keene	311	311
Dr S. Dadson	312	312
Dr J. Yee	300	300
Dr. S Newstead	192	192

All joint equity properties are subject to sale on the departure of the trustee from the House. The trustees pay an occupation fee of £500 pa to the House on the House's owned share of the properties.

31 CONTINGENT LIABILITIES

There are no obligations arising from events occurring before the date of the balance sheet whose existence will be confirmed only by the occurrence of events not wholly with the House's control.

32 FINANCIAL COMMITMENTS AND POST BALANCE SHEET EVENTS

On 22 June 2016 the House entered into an agreement with the Pension Insurance Corporation for the issue of (i) £20m 2.567% Series A Notes repayable on 14 September 2063 and (ii) £20m 2.567% Series B Notes repayable on 15 September 2064. Both Series A Notes and Series B Notes were not drawn down until 15 September 2016.

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33 TRANSITION TO FRS 102

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

Effect on the SoFA	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2015 Total £'000
Net Income/(Expenditure) as previously stated	(350)	1,038	(1,855)	(1,167)
Pension deficit liability	(371)	-	-	(371)
Loss on the fair value of Barclays £10m interest rate swap	(4,903)	-	-	(4,903)
Net Income/(Expenditure) as restated	(5,624)	1,038	(1,855)	(6,441)

Effect on Net Funds	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2015 Total £'000
Net Funds (as previously stated)	6,824	8,419	421,065	436,308
Recognition of pension deficit	(2,788)			(2,788)
Recognition of the fair value of Barclays £10m interest rate swap	(4,903)			(4,903)
Net Funds (as restated)	(867)	8,419	421,065	428,617

The most significant changes are the recognition of a liability in respect of the deficit reduction arrangements for multi employer pension defined benefit pension schemes that are accounted for as defined contribution schemes and the recognition of the fair value of the interest rate swap as required under FRS102.