



*Christ Church*  
OXFORD OX1 1DP

# Annual Report and Financial Statements

Year ended 31 July 2018

Registered Charity 1143423

**Christ Church**  
**Annual Report and Financial Statements**  
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**Report of the Governing Body**  
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**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)	(8)
<b>Dean:</b>								
The Very Reverend Professor M.W. Percy	•	•	•	•	•	•	•	•
<b>Canons:</b>								
The Venerable M.A. Gorick								
The Reverend Canon Professor N.J. Biggar							•	
The Reverend Canon Professor S.R.I. Foot		•		•			•	
The Reverend Canon Professor G.D. Ward							•	
The Reverend Canon E.J. Newey	•						•	•
Canon Professor C. Harrison							•	
<b>Students:</b>								
Professor R.B. Rutherford		•						
Professor J. Cartwright								
Professor S.M. Darlington								
Professor D.J. Hine				•				
Professor R.L. Judson		•	•		•			
Professor D. Nowell								
Professor I.M.C. Watson								
Professor E.J.F. Simpson			•		•			
Professor S.D. Howison								
Professor M.J. Edwards								
Professor M.D. McCulloch		•						
Professor D. Obbink								
Professor S.L. Rowland-Jones			•					
Dr B.E. Jack						•		
Professor D.P. McDonald								
Professor S. Neubauer								
Professor B. Parkinson					•			
Professor E.M.C. Tanello-Cooper							•	
Dr D.P. Moran						•		
Professor G. Wilkinson								
Professor R.L. Davies				•				
Professor Sir J.I. Bell								
Professor G.A. Johnson	•	•	•			•		
Professor J.G.E. Cross								•
Dr A.J. Clark								
Dr B.W. Young	•	•	•	•	•	•		•
Professor J.J. Davis								
Professor M.C.A Bose		•					•	•
Professor J. Yee			•					
Professor A. Kuhn								
Mr J.C.F.S. Lawrie	•	•		•			•	•
Professor D. Aarts		•				•		•
Professor S.J. Cragg		•		•				
Professor R. Wade-Martins								
Professor J.K. Schear								
Professor E.G.W. Keene			•					•
Professor S.C. Mortimer						•	•	
Professor K. McGerty	•							•

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Ms P.A. Linières-Hartley		•	•						
Mr K. Sternberg									•
Ms L. Elder									
Professor S. Dadson		•							
Professor S. L. Newstead				•					
Professor K.C. King									
Dr A. Camilleri	(determined 30 September 2018)								
Professor R. Barker					•	•			•
Professor J. Joosten									
Professor S. Hiscock							•		
Dr K. Manova	(resigned 31 December 2017)								
Professor G. Hutchinson									
Dr K. Lebow		•							
Professor A. Kuo			•						
Professor M. van der Schaar									
Professor Sir T. Berners-Lee									
Professor A. Vasudevan				•					
Professor P-G Martinsson	(resigned 30 August 2018)								
Professor P. Sedláček	(appointed 1 October 2017)								
Dr D. Alonso	(appointed 1 October 2017 resigned 30 March 2018)								
Mr M. Coote	(appointed 1 October 2017)		•		•				
Dr H. Hooper	(appointed 1 October 2017)								
Professor Y. Gal	(appointed 1 October 2017)								
Dr J Allison	(appointed 1 May 2018)								
Dr S Duncan	(appointed 1 October 2018)								
Professor S Grahl	(appointed 1 September 2018)								

During the year the policies of the Governing Body were developed and implemented through eight 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
- (8) General Purposes and Strategy 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 J.E. Philpott, Mrs G.P. Stein.

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

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**HOUSE SENIOR STAFF**

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

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

**HOUSE ADVISERS**

**Investment managers**

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

**Investment property managers and principal surveyor**

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

**Auditor**

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

**Bankers**

Barclays Bank plc  
Business Banking, 4<sup>th</sup> Floor, Apex Plaza, Forbury Road, Reading, Berkshire, RG11 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](http://www.chch.ox.ac.uk)

## **Christ Church**

### **Report of the Governing Body**

#### **Year ended 31 July 2018**

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

### **REFERENCE AND ADMINISTRATIVE INFORMATION**

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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**Organisational management**

The Governing Body meets ordinarily 9 times a year. The work of developing policies and monitoring implementation is carried out by eight 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 General Purposes and Strategy Committee considers questions of policy and strategy concerning 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 administers many special trusts, as detailed in Notes 19 to 20 to the financial statements.

The House also has six wholly-owned non-charitable subsidiaries: Christ Church Library Charity Limited, which holds the book stock, Christ Church Oxford Trading Limited, whose annual profits are donated to the House under the Gift Aid Scheme, Christ Church Developments Limited, which undertakes major building projects, Christ Church (Evesham) Limited, Christ Church (Daventry) Limited and Thomas Wolsey Property Limited, all of which hold 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.

## **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 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 Christ Church 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.

The aims set for the House's subsidiaries are to help finance the achievement of such aims.



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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, an Official Student (Tutorial Fellow) in Computer Science (with our first cohort of Computer Science undergraduates), an Official Student in Economics, and a Fixed Term Student in Law.

Work on new accommodation at 117 St Aldates has been completed, and has greatly enhanced Christ Church's accommodation provision.

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 Access and Outreach Working Group has continued work this year on analysing a range of statistics and data related to Christ Church's applicant pool, and has developed projects in Christ Church's designated link regions and beyond.

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 financial assistance 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 annual offsite meeting at the beginning of the 2017-18 academic year, and its newly established General Purposes and Strategy Committee met to discuss a range of in-depth issues including plans for the 2025 centenary.

**ACHIEVEMENTS AND PERFORMANCE**

435 undergraduate students were resident during the academic year. Of these, 126 were finalists who completed their degree courses; 93.7% gained Firsts or 2.1s.

272 graduate students were following courses of study during the academic year. Of these, 70 completed Masters/BCL degrees and 31 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 throughout the year from 150 in Michaelmas Term to 165 at the end of Trinity Term, the number of Cathedral Choristers increased from 19 at the start of the year to 21. A total of 9 scholarships were gained by this year's leavers (2016-17: 14).

Voluntary income as fundraising amounted to £3,169k (2016-17: £4,875k) which excludes pledges and the notification of 17 new legacy bequests. The total amount represents a slight reduction on the previous year accounted for by a large gift in 2016-17. Development costs (including salaries of staff in the development office, and organization of alumni and donor events) amounted to £808k, representing an increase on the previous year (2016-17: £636k) which itself included a short interregnum. The rise in expenditure is due to increased headcount and greater resources in support of the broad strategy to focus on the 'supporter journey', to ensure greater engagement and participation from former Members of Christ Church. An indication of early success in this area is the increase in alumni donor participation on the previous year by 15%. This is not at the cost of support at Board of Benefactor level where support remains constant, with 11 new Board members.

**FINANCIAL REVIEW**

The House's total income of £35,032k (2016-17: £34,272k) was £760k higher than 2016-17, an increase of 2.2%.

The charitable activities of the House include teaching and research, provision of board and lodgings for members of the House, Cathedral and Cathedral School and access for visitors. The income generated by these charitable activities amounted to £13,153k, a 4% increase compared to the previous year (2016-17: £12,641k). The cost of undertaking these charitable activities in the year was £25,561k, a 22% increase compared to the previous year (2016-17: £20,872k). There was an overall operating deficit of £12,408k on these charitable activities which is funded by expendable donations, trading income and transfers from the House's endowment.

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**Income**

Income from charitable activities was £13,153k comprising fee income of £3,003k, which was 5% higher than the previous year, college residential income of £4,668k which was 6% higher, combined income from the Cathedral and Cathedral School of £2,572k was 12% higher and visitor income of £2,821k was 6% higher than the previous year (2016-17: £2,656k). Income from charitable activities includes £1k in connection with the triennial Commemoration Ball, held in June 2017 (2016-17: £317k) and other academic income of £88k (2016-17: £98k).

Fundraising income (which includes both income and capital donations) was £3,169k, 35% lower than 2016-17. Capital donations of £1,751k were 42% lower (2016-17: £3,043k) while income donations of £1,418k were 23% lower than 2016-17 (£1,832k), which included donations of £529k received in the year towards the refurbishment of Peckwater Quad.

Non charitable trading income of £935k was 19% higher (2016-17: £787k), whilst charitable conference income of £1,640k was £103k higher than 2016-17.

Income from investment assets of £17,642k was 11% higher than the previous year (2016-17: £15,895k) due largely to an increase in commercial and other property income.

**Expenditure**

The House sets its budget for expenditure on the basis of a rolling 5-year plan which enables forward planning of significant building and maintenance projects and other strategic projects set by Governing Body.

The House's total expenditure of £31,857k was £5,921k higher than 2016-17 (£25,936k).

Expenditure on charitable activities of £25,561k was £4,689k higher than the previous year. Maintenance and refurbishment expenditure on college buildings of £5,165k (2016-17: £2,228k), was £2,937k higher compared to the previous year. Included in the current year is £3,008k on phase 2 of the Peckwater Quad staircase refurbishment. The other main project in 2017-18 was the continuation of works to the Thatched Barn, a total of £1,058k incurred in the year has been capitalised. Phase 3 of the Peckwater Quad staircase refurbishment and completion of the works to the Thatched Barn are planned for 2018-19. Rent, rates and insurance of £578k is £354k higher than 2016-17 with the first full year of operation of 117 St Aldate's, Oxford a new 79 bed residential staircase occupied by The House on a 40 year long leasehold basis. Following a review of its Outreach and Access activities, Governing Body approved a number of new initiatives in this area resulting in an uplift of 94% in expenditure in the year from £187k to £385k.

Included in total charitable expenditure is the movement on the defined benefit pension schemes deficit liability, as required under FRS102. The net movement in the year is a reduction of £88k, being a reduction for OSPS of £96k less an increase for USS of £8k (2016-17: OSPS -£553k, USS £38k = £515k). The total pension scheme deficit liability as at 31 July 2018 recognised in these financial statements as required by FRS 102 has thus come down from £2,388k to £2,300k (USS: £852k, OSPS: £1,448k), producing a net reduction in funds available to the House of £2,300k.

The cost of generating funds in 2017-18 was £6,296k (2016-17: £5,064k), £1,232k or 24% higher than the previous year. Interest payable of £1,027k (2016-17: £898k) was 14% higher with 2017-18 being the first full year of interest payable on £40m loan notes, bearing a coupon of 2.567%, which were drawn down in September 2016. Investment management costs of £3,615k were £816k higher than the previous year due mainly to increased maintenance and refurbishment expenditure incurred on the House's investment properties. Fundraising costs of £808k were 28% higher than 2016-17 (£633k) with increased activity in overseas travel and other new fundraising activities following the appointment of a new Development Director in October 2017.

The adoption of FRS 102 also 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 cost of unwinding this interest rate swap as at 31 July 2018 has been provided at £5,418k (2016-17: £5,943k), a reduction in the year of £525k.

**Result for the year**

The consolidated net funds of the House rose by £51,307k in the year, the net increase is attributable to:

	2017-18	2016-17
• Unrestricted funds	£ 1,576k	£ 6,243k
• Restricted funds	£ 601k	£ 768k
• Endowment funds (*)	£ 49,130k	£ 44,552k

(\*) Including total investment gains in the year of £47,607k (2016-17: £41,616k).

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**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 £564.2m (2016-17: £512.9m). This includes endowment capital of £550.3m and unspent restricted income funds totalling £10.2m.

The House's free reserves at the year-end amounted to £1,883k (2016-17: £1,274k), representing retained unrestricted income reserves excluding an amount of £5,587k for the book value of fixed assets less associated funding arrangements and designated reserves at the year end amounting to £486k (2016-17: £540k). Governing Body has set a target to increase free reserves by £500k pa in its rolling 5-year plan. Whilst adopting a policy target for free reserves, the Governing Body also recognises that expenditure on certain repair and renovation projects could be postponed in the event of a cash-flow problem.

Designated reserves of £486k at the year end included £52k for unexpended Annual Fund projects which are projected to be spent over the next three years.

**Risk management**

The House has processes 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 external experts. All House committees monitor risk on a regular basis and conduct an annual review of the major risks to which the House is exposed in their areas of responsibility. Their findings are aggregated into a report on major risks which is considered by the Governing Body each year. Health and Safety risks are monitored by a committee of heads of department, chaired by the Steward and subject to annual external audit.

Training courses and other forms of career development are available to members of staff to enhance their skills in risk-related areas.

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

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

<b>Risk</b>	<b>Measures</b>
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	IT managed jointly with Pembroke College. 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 consistent and sustainable income to support expenditure; and
- delivering these objectives within acceptable levels of risk.

## **Christ Church**

### **Report of the Governing Body**

#### **Year ended 31 July 2018**

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 an appropriate proportion of the unapplied total return available for expenditure each year.

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 £550.3m (2016-17: £501.1m), net of £40m loan notes. Investment returns were strong, with a total return on the House's investments after fees and interest on the loan notes of +12.4% (2016-17: +12.0%).

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 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 taken as income in the year. The Governing Body keeps the level of income withdrawn under review to balance the needs and interests of current and future beneficiaries of the House's activities.

#### **Fundraising Activities**

Christ Church's Alumni Relations and Development team exists to develop lifelong relationships with and amongst alumni, donors and supporters, and to raise funds for Christ Church's charitable activities. The Development Office consists of a Director and seven members of staff. Communications include news, research developments, events, exhibitions, resources, reunions, volunteering opportunities, fundraising appeals and progress updates that are important to alumni.

The Development Office works with a network of volunteers – the Development Board – who provide advice on its fundraising and alumni relations activities. The Development Office also works with other volunteers through the Christ Church Association and the American Friends of Christ Church. All communications from alumni volunteers to other alumni are directed through the office, with the exception of non-fundraising communications through the Alumni Social Media groups on Facebook, LinkedIn, and the Oxford Alumni Network.

Christ Church is committed to best practice when engaging with all alumni, current members, parents and friends of the House and is registered with the Fundraising Regulator. It voluntarily subscribes to its Code of Fundraising Practice as adapted, by agreement with the Regulator, to meet the particular circumstances of colleges in the University of Oxford. The activities of Christ Church Development Office volunteers adhere to the Code of Fundraising Practice as adapted.

Christ Church is not aware of any failure on its part to comply with the Code, and has not received any complaints in 2017-18 about its fundraising activity, nor the activity of its volunteers. Christ Church does not solicit funds from members of the public: its fundraising activities are focused principally on its alumni and on third parties introduced to the House by alumni or the University of Oxford. The Development Office will always respect the wishes of any alumni who wish to expand or limit communications by type or means.

As a registered charity, Christ Church is regulated by the Charity Commission for England and Wales; in fundraising, the Development Office adheres to all applicable laws in the relevant jurisdictions. Personal information is handled with care and confidentiality, and is processed in accordance with the Data Protection Act, the General Data Protection Regulation, and all other applicable laws to support the House mission, related events, fundraising, sharing news, volunteering, and networking 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 '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 has 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. It is 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 28 November 2018 and signed on its behalf by:

Professor Sarah Mortimer  
Censor Theologiae

## **Christ Church**

### **Independent auditor's report to the Members of the Governing Body of Christ Church**

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#### **Opinion**

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

In our opinion, the financial statements:

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

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

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

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

#### **Other information**

The Members of the Governing Body are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

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

- sufficient accounting records have not been kept;

## **Christ Church**

### **Independent auditor's report to the Members of the Governing Body of Christ Church**

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

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

As explained more fully in the Statement of Accounting and Reporting Responsibilities [set out on page 12], the Members of the Governing Body are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

#### **Use of our Report**

This report is made solely to the House's Governing Body, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Members of 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's Governing Body as a body, for our audit work, for this report, or for the opinions we have formed.

Critchleys Audit LLP  
Statutory Auditor  
Oxford

Date:

Critchleys Audit LLP is eligible to act as an auditor in terms of sections 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 House 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, Christ Church (Evesham) Limited, Christ Church (Daventry) Limited, Thomas Wolsey Property 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 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 House 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 House 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 2018**

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2018 Total £'000	2017 Total £'000
<b>INCOME AND ENDOWMENTS FROM:</b>						
<b>Charitable activities:</b>	1					
Teaching, research and residential		10,581	-	-	10,581	10,336
Cathedral School		2,131	-	-	2,131	2,061
Cathedral		101	333	7	441	244
<b>Other trading Income</b>	3	935	-	-	935	787
<b>Donations and legacies</b>	2	131	1,287	1,751	3,169	4,875
<b>Investments:</b>						
Investment income	4	78	14	17,550	17,642	15,895
Total return allocated to income	14	8,603	5,182	(13,785)	-	-
Other income		116	17	-	133	74
<b>Total income</b>		<b>22,676</b>	<b>6,833</b>	<b>5,523</b>	<b>35,032</b>	<b>34,272</b>
<b>EXPENDITURE ON:</b>						
<b>Charitable activities:</b>						
Teaching, research and residential		16,655	4,079	-	20,734	16,471
Other charitable activities		-	686	-	686	615
Cathedral School		2,366	-	-	2,366	2,321
Cathedral		1,443	332	-	1,775	1,465
<b>Generating funds:</b>						
Fundraising		808	-	-	808	633
Trading expenditure		846	-	-	846	734
Investment management costs		134	-	3,481	3,615	2,799
Interest payable on loan notes		-	-	1,027	1,027	898
<b>Total expenditure</b>		<b>22,252</b>	<b>5,097</b>	<b>4,508</b>	<b>31,857</b>	<b>25,936</b>
<b>Net Income/(Expenditure) before gains</b>		<b>424</b>	<b>1,736</b>	<b>1,015</b>	<b>3,175</b>	<b>8,336</b>
Net gains on investments	11, 12	-	-	47,607	47,607	41,616
Gains/(losses) on complex financial instruments	25	525	-	-	525	1,611
<b>Net Income</b>		<b>949</b>	<b>1,736</b>	<b>48,622</b>	<b>51,307</b>	<b>51,563</b>
<b>Transfers between funds</b>	19	627	(1,135)	508	-	-
<b>Net movement in funds for the year</b>		<b>1,576</b>	<b>601</b>	<b>49,130</b>	<b>51,307</b>	<b>51,563</b>
Fund balances brought forward	19	2,130	9,602	501,134	512,866	461,303
<b>Funds carried forward at 31 July</b>		<b>3,706</b>	<b>10,203</b>	<b>550,264</b>	<b>564,173</b>	<b>512,866</b>

**Christ Church**  
**Consolidated and College Balance Sheets**  
**As at 31 July 2018**

	Notes	2018 Group £'000	2017 Group £'000	2018 The House £'000	2017 The House £'000
<b>FIXED ASSETS</b>					
Tangible assets	9	13,661	11,799	10,673	8,748
Property investments	11	156,727	149,798	151,829	149,501
Other Investments	12	433,573	391,672	438,493	391,772
<b>Total Fixed Assets</b>		<b>603,961</b>	<b>553,269</b>	<b>600,995</b>	<b>550,021</b>
<b>CURRENT ASSETS</b>					
Stocks		621	672	620	672
Debtors	15	5,578	8,282	9,601	12,312
Cash at bank and in hand		18,268	15,081	17,438	14,505
<b>Total Current Assets</b>		<b>24,467</b>	<b>24,035</b>	<b>27,659</b>	<b>27,489</b>
<b>LIABILITIES</b>					
Creditors: amounts falling due within one year	16	6,426	5,899	6,033	5,551
<b>NET CURRENT ASSETS</b>		<b>18,041</b>	<b>18,136</b>	<b>21,626</b>	<b>21,938</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>622,002</b>	<b>571,405</b>	<b>622,621</b>	<b>571,959</b>
<b>CREDITORS: falling due after more than one year</b>	17	<b>55,418</b>	<b>55,943</b>	<b>55,418</b>	<b>55,943</b>
<b>Provisions for liabilities and charges</b>	18	<b>111</b>	<b>208</b>	<b>111</b>	<b>208</b>
<b>NET ASSETS BEFORE PENSION LIABILITY</b>		<b>566,473</b>	<b>515,254</b>	<b>567,092</b>	<b>515,808</b>
<b>Defined benefit pension scheme liability</b>	23	<b>2,300</b>	<b>2,388</b>	<b>2,300</b>	<b>2,388</b>
<b>TOTAL NET ASSETS</b>		<b>564,173</b>	<b>512,866</b>	<b>564,792</b>	<b>513,420</b>
<b>FUNDS OF THE COLLEGE</b>					
<b>Endowment funds</b>	19	<b>550,264</b>	<b>501,134</b>	<b>550,264</b>	<b>501,134</b>
<b>Restricted funds</b>		<b>10,203</b>	<b>9,602</b>	<b>10,203</b>	<b>9,602</b>
<b>Unrestricted funds</b>					
Designated funds		486	540	486	540
General funds		6,984	5,967	11,557	10,475
Revaluation reserve		3,954	3,954	-	-
Pension and loan swap reserve	19/23	(7,718)	(8,331)	(7,718)	(8,331)
		<b>564,173</b>	<b>512,866</b>	<b>564,792</b>	<b>513,420</b>

The financial statements were approved and authorised for issue by the Governing Body of Christ Church on 28 November 2018.

Professor Sarah Mortimer  
Censor Theologiae

Mr James Lawrie  
Treasurer

**Christ Church**  
**Consolidated Statement of Cash Flows**  
**For the year ended 31 July 2018**

	Notes	2018 £'000	2017 £'000
<b>Net cash provided by (used in) operating activities</b>	26	<u>(7,955)</u>	<u>(12,821)</u>
<b>Cash flows from investing activities</b>			
Dividends, interest and rents from investments		17,642	15,895
Cash inflows from new borrowing		-	40,000
Interest payable on loan notes		(1,027)	(898)
Investment management costs		(3,615)	(2,799)
Proceeds from the sale of property, plant and equipment		-	-
Purchase of property, plant and equipment		(2,386)	(1,046)
Proceeds from sale of investments		93,591	12,338
Purchase of investments		<u>(94,814)</u>	<u>(55,480)</u>
<b>Net cash provided by (used in) investing activities</b>		<u>9,391</u>	<u>8,010</u>
<b>Cash flows from financing activities</b>			
Repayments of borrowing		-	-
Receipt of endowment		1,751	3,043
<b>Net cash provided by (used in) financing activities</b>		<u>1,751</u>	<u>3,043</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>3,187</u>	<u>(1,768)</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		15,081	16,849
<b>Change in cash and cash equivalents due to exchange rate movements</b>		-	-
<b>Cash and cash equivalents at the end of the reporting period</b>	27	<u>18,268</u>	<u>15,081</u>

**Christ Church**  
**Notes to the financial statements**  
**For the year ended 31 July 2018**

**1 INCOME FROM CHARITABLE ACTIVITIES**

	2018 £'000	2017 £'000
<b>Teaching, Research and Residential</b>		
Unrestricted funds		
Tuition fees - UK and EU students	1,770	1,744
Tuition fees - Overseas students	833	749
Other fees	68	38
Other HEFCE support	332	330
Other academic income	88	98
College residential income	4,668	4,404
Visitor income	2,821	2,656
Other income	1	317
	<b>10,581</b>	<b>10,336</b>
<b>Total Teaching, Research and Residential</b>	<b>10,581</b>	<b>10,336</b>
 Unrestricted funds		
Cathedral School income	2,131	2,061
Cathedral income	101	124
	<b>2,232</b>	<b>2,185</b>
Restricted funds		
Cathedral income	333	114
	<b>333</b>	<b>114</b>
Endowed funds		
Cathedral income	7	6
	<b>7</b>	<b>6</b>
	<b>2,572</b>	<b>2,305</b>
<b>Total income from charitable activities</b>	<b>13,153</b>	<b>12,641</b>

The above analysis includes £2,936k received from Oxford University from publicly accountable funds under the Collegiate Funding Formula Scheme (2016-17: £2,824k).

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 £8k (2016-17: £22k). These are not included in the fee income reported above.

**2 DONATIONS AND LEGACIES**

	2018 £'000	2017 £'000
<b>Donations and Legacies</b>		
Unrestricted funds	131	1,383
Restricted funds	1,287	449
Endowed funds	1,751	3,043
	<b>3,169</b>	<b>4,875</b>

**3 INCOME FROM OTHER TRADING ACTIVITIES**

	2018 £'000	2017 £'000
Subsidiary company trading income	935	787
	<b>935</b>	<b>787</b>



**Christ Church**  
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**4 INVESTMENT INCOME**

	2018 £'000	2017 £'000
<i>Unrestricted funds</i>		
Agricultural rent	27	2
Bank interest	50	117
Other interest	1	2
	<u>78</u>	<u>121</u>
<i>Restricted funds</i>		
Other interest	14	29
	<u>14</u>	<u>29</u>
<i>Endowed funds</i>		
Agricultural rent	564	586
Commercial rent	3,540	2,561
Other property income	1,644	1,146
Equity dividends	1,550	1,404
Other investment income	10,252	10,048
	<u>17,550</u>	<u>15,745</u>
<b>Total Investment income</b>	<u>17,642</u>	<u>15,895</u>

**5 ANALYSIS OF EXPENDITURE**

	2018 £'000	2017 £'000
<b>Charitable expenditure</b>		
Direct staff costs allocated to:		
Teaching, research and residential	7,856	7,102
Other direct costs allocated to:		
Teaching, research and residential	10,665	7,210
Other charitable activities	686	615
Cathedral school	2,311	2,277
Cathedral	1,775	1,465
Support and governance costs allocated to:		
Teaching, research and residential	2,213	2,159
Cathedral school	55	44
<b>Total charitable expenditure</b>	<u>25,561</u>	<u>20,872</u>
<b>Expenditure on generating funds</b>		
Direct staff costs allocated to:		
Fundraising	448	372
Trading and visitor expenditure	266	239
Other direct costs allocated to:		
Fundraising	291	192
Trading and visitor expenditure	496	415
Investment management costs	3,465	2,668
Interest payable on notes	1,027	898
Support and governance costs allocated to:		
Fundraising	69	69
Trading and visitor expenditure	84	80
Investment management costs	134	131
<b>Total expenditure on generating funds</b>	<u>6,296</u>	<u>5,064</u>
<b>Total expenditure</b>	<u>31,857</u>	<u>25,936</u>

The 2017 expenditure of £25,936k represented £18,503k from unrestricted funds, £3,867k from restricted funds and £3,566k 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 colleges on the basis of need. Contributions are calculated annually in accordance with regulations made by the Council of the University of Oxford. The teaching, research and residential costs include College Contribution payable of £-1k (2017- £368k).

**Christ Church**  
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**6 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS**

	Generating Funds £'000	Teaching and Research £'000	Public Worship, Choir & Choir School £'000	Heritage £'000	2018 Total £'000
Financial administration	201	189	0	0	390
Domestic administration	61	587	0	0	648
IT	14	387	0	0	401
Depreciation	2	467	55	0	524
Loan interest payable	1,027	498	0	0	1,525
Other finance charges	9	37	0	0	46
Governance costs	0	48	0	0	48
	<b>1,314</b>	<b>2,213</b>	<b>55</b>	<b>0</b>	<b>3,582</b>
	Generating Funds £'000	Teaching and Research £'000	Public Worship, Choir & Choir School £'000	Heritage £'000	2017 Total £'000
Financial administration	196	207	0	0	403
Domestic administration	54	548	0	0	602
IT	13	293	0	0	306
Depreciation	2	504	44	0	550
Loan interest payable	898	498	0	0	1,396
Other finance charges	15	60	0	0	75
Governance costs	0	49	0	0	49
	<b>1,178</b>	<b>2,159</b>	<b>44</b>	<b>0</b>	<b>3,381</b>

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  
 Auditor's remuneration - other services  
 Other governance costs

	2018 £'000	2017 £'000
Auditor's remuneration - audit services	42	38
Auditor's remuneration - other services	4	1
Other governance costs	2	10
	<b>48</b>	<b>49</b>

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 Fellow's 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**

During the year the House funded academic awards and bursaries to students from its restricted and unrestricted funds as follow:

**Unrestricted funds**

Grants to individuals:

Scholarships, prizes and grants  
 Bursaries and financial assistance awards

**Total unrestricted**

	2018 £'000	2017 £'000
Scholarships, prizes and grants	55	31
Bursaries and financial assistance awards	48	53
<b>Total unrestricted</b>	<b>103</b>	<b>84</b>

**Restricted funds**

Grants to individuals:

Scholarships, prizes and grants  
 Bursaries and financial assistance awards

**Total restricted**

	2018 £'000	2017 £'000
Scholarships, prizes and grants	343	384
Bursaries and financial assistance awards	580	356
<b>Total restricted</b>	<b>923</b>	<b>740</b>

**Total grants and awards**

	2018 £'000	2017 £'000
<b>Total grants and awards</b>	<b>1,026</b>	<b>824</b>

The figure included above represents the cost to the House of the Oxford Bursary Scheme. Undergraduate students of the House received £110k (2017: £112k). Some of those students also received fee waivers amounting to £8k (2017: £22k).

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

**Christ Church**  
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**8 STAFF COSTS**

	2018 £'000	2017 £'000
The aggregate staff costs for the year were as follows.		
Salaries and wages	7,299	6,812
Social security costs	674	645
Pension costs:		
Defined benefit schemes	1,060	699
Defined contribution schemes	0	0
Other benefits	745	674
	<b>9,778</b>	<b>8,830</b>

Staff costs of £884k (2016-17: £878k) included in total Cathedral costs and £1,724k (2016-17: £1,658k) included in total Cathedral school costs are not included in the aggregate payroll costs shown above.

	2018	2017
The average number of employees of the House, excluding Trustees, on a full time equivalent basis was as follows:		
Tuition and research	56	60
College residential	115	122
Trading and visitor	22	19
Cathedral	20	19
Cathedral School	62	62
Fundraising	4	5
Support	76	77
Total	<b>355</b>	<b>364</b>

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

	2018	2017
University Lecturers	20	20
CUF Lecturers	17	14
Faculty Lecturers	1	1
Other teaching and research	4	4
Other	12	12
Total	<b>54</b>	<b>51</b>

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	3	5
£70,001-£80,001	4	2

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

The House's contributions to defined contribution pension schemes totalled

1	1
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Christ Church  
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9 TANGIBLE FIXED ASSETS

Group	Assets in the course of construction £'000	Leasehold land and buildings £'000	Freehold land and buildings £'000	Plant and machinery £'000	Total £'000
<b>Cost</b>					
At start of year	835	417	9,073	6,669	16,994
Additions	1,058	0	1,132	196	2,386
Disposals	0	0	0	-	-
<b>At end of year</b>	<b>1,893</b>	<b>417</b>	<b>10,205</b>	<b>6,865</b>	<b>19,380</b>
<b>Depreciation and impairment</b>					
At start of year	0	0	2,905	2,290	5,195
Depreciation charge for the year	0	0	311	213	524
Depreciation on disposals	0	0	0	-	-
Impairment	0	0	0	0	0
<b>At end of year</b>	<b>0</b>	<b>0</b>	<b>3,216</b>	<b>2,503</b>	<b>5,719</b>
<b>Net book value</b>					
<b>At end of year</b>	<b>1,893</b>	<b>417</b>	<b>6,989</b>	<b>4,362</b>	<b>13,661</b>
At start of year	835	417	6,168	4,379	11,799
<b>The House</b>					
	Assets in the course of construction £'000	Leasehold land and buildings £'000	Freehold land and buildings £'000	Plant and machinery £'000	Total £'000
<b>Cost</b>					
At start of year	835	417	8,853	3,057	13,162
Additions	1,058	0	1,132	196	2,386
Disposals	0	0	0	0	0
<b>At end of year</b>	<b>1,893</b>	<b>417</b>	<b>9,985</b>	<b>3,253</b>	<b>15,548</b>
<b>Depreciation and impairment</b>					
At start of year	0	0	2,856	1,558	4,414
Charge for the year	0	0	307	154	461
On disposals	0	0	0	0	0
Impairment	0	0	0	0	0
<b>At end of year</b>	<b>0</b>	<b>0</b>	<b>3,163</b>	<b>1,712</b>	<b>4,875</b>
<b>Net book value</b>					
<b>At end of year</b>	<b>1,893</b>	<b>417</b>	<b>6,822</b>	<b>1,541</b>	<b>10,673</b>
At start of year	835	417	5,997	1,499	8,748

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**  
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**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. No material acquisitions or disposals have occurred over the last 5 years.

**11 PROPERTY INVESTMENTS**

Group	Agricultural £'000	Commercial £'000	Residential and Other £'000	2018 Total £'000	2017 Total £'000
Valuation at start of year	69,205	53,035	27,558	149,798	105,730
Additions and improvements at cost	4,614	6,127	0	10,741	35,816
Disposals	(31,075)	(1,378)	26	(32,427)	(2,192)
Revaluation gains/(losses) in the year	22,494	3,377	2,744	28,615	10,444
<b>Valuation at end of year</b>	<b>65,238</b>	<b>61,161</b>	<b>30,328</b>	<b>156,727</b>	<b>149,798</b>
<b>The House</b>					
	Agricultural £'000	Commercial £'000	Residential and Other £'000	2018 Total £'000	2017 Total £'000
Valuation at start of year	68,903	53,039	27,559	149,501	105,630
Additions and improvements at cost	14	6,127	0	6,141	35,617
Disposals	(31,075)	(1,379)	26	(32,428)	(2,190)
Revaluation gains/(losses) in the year	22,494	3,377	2,744	28,615	10,444
<b>Valuation at end of year</b>	<b>60,336</b>	<b>61,164</b>	<b>30,329</b>	<b>151,829</b>	<b>149,501</b>

A formal valuation of the agricultural, commercial and residential properties was prepared by Savills (L&P) Limited as at 31 July 2018.

In addition to the direct property investments stated above the House holds a total of £53.2m of indirect property in four property specific investments as well as exposure in diversified funds.

**12 OTHER INVESTMENTS**

All investments are held at fair value.

	2018 £'000	2017 £'000
<b>Group investments</b>		
Valuation at start of year	391,672	350,982
New money invested	84,072	19,663
Amounts withdrawn	(72,125)	(8,923)
(Decrease)/ increase in cash held	10,962	(1,226)
Investment management fees	-	4
Increase in value of investments	18,992	31,172
<b>Group investments at end of year</b>	<b>433,573</b>	<b>391,672</b>

**Christ Church**  
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**12 OTHER INVESTMENTS CONTINUED**

	2018 £'000	2017 £'000
<b>The House investments</b>		
Valuation at start of year	391,672	350,982
New money invested	84,072	19,663
Amounts withdrawn	(72,125)	(8,923)
(Decrease)/ increase in cash held	10,962	(1,226)
Investment management fees	-	4
Increase in value of investments	18,992	31,172
	<u>433,573</u>	<u>391,672</u>
Investment in subsidiaries	4,920	100
<b>The House investments at end of year</b>	<u><b>438,493</b></u>	<u><b>391,772</b></u>

Group investments comprise:	Held outside the UK £'000	Held in the UK £'000	2018 Total £'000	Held outside the UK £'000	Held in the UK £'000	2017 Total £'000
Equity investments	0	227	227	0	54,291	54,291
Global multi-asset funds	0	287,253	287,253	0	223,900	223,900
Property funds	0	96,699	96,699	0	96,650	96,650
Deferred consideration	0	21,600	21,600	0	-	-
Fixed term deposits and cash	0	27,794	27,794	0	16,831	16,831
<b>Total group investments</b>	<u>0</u>	<u>433,573</u>	<u>433,573</u>	<u>0</u>	<u>391,672</u>	<u>391,672</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. The House also holds 100% of the issued share capital of Christ Church (Evesham) Limited, Christ Church (Daventry) Limited and Thomas Wolsey Property Limited all of which hold agricultural land with long term development potential. Christ Church is also the ultimate parent company of Christ Church Library Charity Limited, a company limited by guarantee which holds the library book stock.

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

	The House	Christ Church (Evesham) Limited	Christ Church (Daventry) Limited	Thomas Wolsey Property
	£'000	£'000	£'000	£'000
Income	34,071	2	0	24
Expenditure	(30,947)	(3)	(18)	(8)
Donation to the House under gift aid	116	0	0	0
Result for the year	<u>3,240</u>	<u>(1)</u>	<u>(18)</u>	<u>16</u>
Total assets	628,654	105	200	4,618
Total liabilities	(63,862)	(23)	(41)	(2)
Net funds at the end of year	<u>564,792</u>	<u>82</u>	<u>159</u>	<u>4,616</u>
	Christ Church Developments Limited	Christ Church Oxford Trading	Christ Church Library Charity Limited	
	£'000	£'000	£'000	
Income	-	935	0	
Expenditure	-	(819)	(62)	
Donation to the House under gift aid	-	(116)	0	
Result for the year	<u>0</u>	<u>0</u>	<u>(62)</u>	
Total assets	58	799	3,124	
Total liabilities	(42)	(799)	(3,696)	
Net funds at the end of year	<u>16</u>	<u>0</u>	<u>(572)</u>	

**Christ Church**  
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**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% (2017: 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.

	Trust for Investment £'000	Permanent Endowment Unapplied Total Return £'000	Total £'000	Expendable Endowment £'000	Total Endowments £'000
<b>At the beginning of the year:</b>					
Gift component of the permanent endowment	12,881		12,881		12,881
Unapplied total return		6,897	6,897		6,897
Expendable endowment				481,356	481,356
<b>Total Endowments</b>	<b>12,881</b>	<b>6,897</b>	<b>19,778</b>	<b>481,356</b>	<b>501,134</b>
<b>Movements in the reporting period:</b>					
Gift of endowment funds	415		415	1,336	1,751
Investment return: total investment income		706	706	16,851	17,557
Investment return: realised and unrealised gains and losses		1,912	1,912	45,695	47,607
Less: Investment management costs		(181)	(181)	(4,327)	(4,508)
Other transfers		34	34	474	508
<b>Total</b>	<b>415</b>	<b>2,471</b>	<b>2,886</b>	<b>60,029</b>	<b>62,915</b>
Unapplied total return allocated to income in the reporting period		(510)	(510)	(13,275)	(13,785)
Expendable endowments transferred to income			0		0
	0	(510)	(510)	(13,275)	(13,785)
<b>Net movements in reporting period</b>	<b>415</b>	<b>1,961</b>	<b>2,376</b>	<b>46,754</b>	<b>49,130</b>
<b>At end of the reporting period:</b>					
Gift component of the permanent endowment	13,296		13,296		13,296
Unapplied total return		8,858	8,858		8,858
Expendable endowment				528,110	528,110
<b>Total Endowments</b>	<b>13,296</b>	<b>8,858</b>	<b>22,154</b>	<b>528,110</b>	<b>550,264</b>

**15 DEBTORS**

	2018 Group £'000	2017 Group £'000	2018 The House £'000	2017 The House £'000
<b>Amounts falling due within one year:</b>				
Trade debtors	1,905	1,529	1,759	1,438
Amounts owed by House members	373	309	373	309
Amounts owed by Group undertakings	0	0	850	803
Taxation and social security	0	4	0	4
Prepayments and accrued income	3,300	6,439	3,279	6,417
Other debtors	0	1	0	1
<b>Amounts falling due after more than one year:</b>				
Loans	0	0	3,340	3,340
	<b>5,578</b>	<b>8,282</b>	<b>9,601</b>	<b>12,312</b>

**16 CREDITORS: falling due within one year**

	2018 Group £'000	2017 Group £'000	2018 The House £'000	2017 The House £'000
Trade creditors	3,176	2,743	2,845	2,456
Amounts owed to House Members	146	77	147	77
Amounts owed to Group undertakings	0	0	16	-
Taxation and social security	505	450	433	397
College contribution	-	375	-	375
Accruals and deferred income	2,599	2,254	2,592	2,246
	<b>6,426</b>	<b>5,899</b>	<b>6,033</b>	<b>5,551</b>

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**17 CREDITORS: falling due after more than one year**

	2018 Group £'000	2017 Group £'000	2018 The House £'000	2017 The House £'000
Notes payable	40,000	40,000	40,000	40,000
Bank loans	10,000	10,000	10,000	10,000
Loan swap fair value	5,418	5,943	5,418	5,943
	<b>55,418</b>	<b>55,943</b>	<b>55,418</b>	<b>55,943</b>

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. The House is investing a sum each year in a designated fund to contribute to the repayment of this loan in 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 2018 has been provided at £5,418k (2017: £5,943k).

On 15 September 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 ("the notes"). Interest is payable on 15 March and 15 September each year.

**18 PROVISIONS FOR LIABILITIES AND CHARGES**

	2018 Group £'000	2017 Group £'000	2018 The House £'000	2017 The House £'000
At start of year	208	248	208	248
Charged in the Statement of Financial Activities	(82)	(16)	(82)	(16)
Settled in the year	(15)	(24)	(15)	(24)
At end of year	<b>111</b>	<b>208</b>	<b>111</b>	<b>208</b>

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 2018.

**19 ANALYSIS OF MOVEMENTS ON FUNDS**

	At 1 August 2017 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2018 £'000
<b>Endowment Funds - Permanent</b>						
Student Support Funds	7,279	423	(67)	(190)	704	8,149
Academic Posts Funds	12,440	696	(114)	(284)	1,203	13,941
Library Funds	59	2	(1)	(2)	6	64
<b>Endowment Funds - Expendable</b>						
Heyman-Moritz Benefaction	45,655	1,596	(410)	(1,267)	4,328	49,902
Dr South (3/5ths)	29,198	1,005	(258)	(797)	2,724	31,872
Lee Benefaction	10,718	375	(96)	(297)	1,016	11,716
Mercury Fund (5/7ths)	9,781	342	(88)	(272)	927	10,690
Buildings Funds	4,729	165	(42)	(131)	448	5,169
Gardens & Grounds Funds	452	16	(4)	(13)	43	494
Library Funds	2,678	101	(24)	(73)	255	2,937
Picture Gallery Funds	377	13	(3)	(10)	36	413
Academic Posts Funds	24,083	1,191	(219)	(592)	2,315	26,778
Student Support Funds	19,307	820	(174)	(278)	1,844	21,519
Cathedral & Chorister Support Funds	8,844	1,028	(82)	(223)	883	10,450
Benefices Funds	17,797	622	(160)	(494)	1,687	19,452
Other Funds	7,342	321	(67)	(27)	702	8,271
General Endowment Funds	300,395	10,592	(2,699)	(8,327)	28,486	328,447
<b>Total Endowment Funds - The House</b>	<b>501,134</b>	<b>19,308</b>	<b>(4,508)</b>	<b>(13,277)</b>	<b>47,607</b>	<b>550,264</b>
Endowment funds held by subsidiaries	0	0	0	0	0	0
<b>Total Endowment Funds</b>	<b>501,134</b>	<b>19,308</b>	<b>(4,508)</b>	<b>(13,277)</b>	<b>47,607</b>	<b>550,264</b>



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**19 ANALYSIS OF MOVEMENTS ON FUNDS CONTINUED**

	At 1 August 2017 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2018 £'000
<b>Restricted Income Funds - Permanent</b>						
Student Support Funds	196	1	(115)	66	0	148
Library Funds	6	0	0	1	0	7
Academic Posts Funds	167	0	(228)	284	0	223
<b>Sub-total Restricted income (Permanent)</b>	<b>369</b>	<b>1</b>	<b>(343)</b>	<b>351</b>	<b>0</b>	<b>378</b>
<b>Restricted Income Funds - Expendable</b>						
Heyman-Moritz Benefaction	0	0	(1,209)	1,267	0	58
Dr South (3/5ths)	1,101	19	(681)	797	0	1,236
Lee Benefaction	253	0	(321)	297	0	229
Mercury Fund (5/7ths)	168	0	(283)	272	0	157
Buildings	12	(1)	(1)	4	0	14
Gardens & Grounds Funds	0	0	(1)	1	0	-
Library Funds	15	0	(61)	72	0	26
Picture Gallery Funds	8	0	0	5	0	13
Academic Posts Funds	674	111	(437)	520	0	868
Student Support Funds	1,121	8	(449)	475	0	1,155
Cathedral & Chorister Support Funds	28	1	(223)	221	0	27
Benefices Funds	58	0	(4)	19	0	73
Other Funds	104	5	(99)	132	0	142
<b>Sub-total Restricted income (Expendable)</b>	<b>3,542</b>	<b>143</b>	<b>(3,769)</b>	<b>4,082</b>	<b>0</b>	<b>3,998</b>
Buildings Funds	4,544	547	(529)	(246)	0	4,316
Gardens & Grounds Funds	3	36	(1)	0	0	38
Sports Funds	0	10	0	0	0	10
Library Funds	103	25	(22)	(1)	0	105
Picture Gallery Funds	78	0	(16)	1	0	63
Academic Posts Funds	24	30	(29)	0	0	25
Student Support Funds	177	253	(80)	(153)	0	197
Cathedral & Chorister Support Funds	648	406	(229)	1	0	826
Other Funds	114	200	(79)	12	0	247
<b>Sub-total Restricted income funds</b>	<b>5,691</b>	<b>1,507</b>	<b>(985)</b>	<b>(386)</b>	<b>0</b>	<b>5,827</b>
<b>Total Restricted Funds</b>	<b>9,602</b>	<b>1,651</b>	<b>(5,097)</b>	<b>4,047</b>	<b>0</b>	<b>10,203</b>
<b>Unrestricted Funds</b>						
Designated funds	540	92	(312)	166	0	486
General funds	10,475	13,887	(21,869)	9,064	0	11,557
Defined benefit pension scheme reserve	(2,388)	0	88	0	0	(2,300)
Loan swap fair value reserve	(5,943)	0	0	0	525	(5,418)
<b>Total Unrestricted Funds - The House</b>	<b>2,684</b>	<b>13,979</b>	<b>(22,093)</b>	<b>9,230</b>	<b>525</b>	<b>4,325</b>
Designated funds - subsidiaries	0	0	0	0	0	0
General funds - subsidiaries	(554)	94	(159)	0	0	(619)
<b>Total Unrestricted Funds - subsidiaries</b>	<b>(554)</b>	<b>94</b>	<b>(159)</b>	<b>0</b>	<b>0</b>	<b>(619)</b>
<b>Total Unrestricted Funds - Group</b>	<b>2,130</b>	<b>14,073</b>	<b>(22,252)</b>	<b>9,230</b>	<b>525</b>	<b>3,706</b>
<b>Total Funds</b>	<b>512,866</b>	<b>35,032</b>	<b>(31,857)</b>	<b>0</b>	<b>48,132</b>	<b>564,173</b>

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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 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	2018 Total £'000
Tangible fixed assets	9,541	4,120	0	13,661
Property investments	0	0	156,727	156,727
Other investments	36	0	433,537	433,573
Net current assets	11,958	6,083	0	18,041
Long term liabilities	(10,000)	0	(40,000)	(50,000)
Pension fund and loan swap provisions	(7,829)	0	0	(7,829)
	<u>3,706</u>	<u>10,203</u>	<u>550,264</u>	<u>564,173</u>
	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2017 Total £'000
Tangible fixed assets	9,187	2,612	0	11,799
Property investments	300	0	149,498	149,798
Other investments	36	0	391,636	391,672
Net current assets	11,146	6,990	-	18,136
Long term liabilities	(10,000)	0	(40,000)	(50,000)
Pension fund and loan swap provisions	(8,539)	0	0	(8,539)
	<u>2,130</u>	<u>9,602</u>	<u>501,134</u>	<u>512,866</u>

**22 TRUSTEES' REMUNERATION**

Those 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.

Most trustees of the House fall into the following categories:

- Head of House
- Professorial Fellow
- Official Fellow
- Fellow by Special Election
- Research Fellow
- Canon Professors

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.

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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**22 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. 9 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 was 1 such property purchased in the year and no such property was 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	2017-18		2016-17	
	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	1	2,188	2	7,815
£5,000-£9,999	2	14,809	5	31,650
£10,000-£14,999	4	51,830	1	10,464
£15,000-£19,999	6	105,932	5	87,797
£20,000-£24,999	6	130,902	5	106,899
£25,000-£29,999	4	107,663	2	59,665
£30,000-£34,999	9	294,100	14	455,350
£35,000-£39,999	10	370,682	6	220,778
£40,000-£44,999	0	-	0	-
£45,000-£49,999	1	49,922	1	48,432
£50,000-£54,999	0	-	2	106,190
£55,000-£59,999	3	174,527	3	175,491
£60,000-£64,999	2	126,476	2	125,108
£65,000-£69,999	6	404,309	4	269,084
£70,000-£74,999	1	74,025	1	72,695
£75,000-£79,999	0	-	0	-
£80,000-£84,999	0	-	0	-
£85,000-£89,999	0	-	0	-
£90,000-£94,999	1	94,004	1	91,942
£95,000-£99,999	0	-	1	98,151
£100,000-£104,999	2	206,461	2	202,567
£105,000-£109,999	2	215,632	1	107,259
Total	60	2,423,462	58	2,277,337

9 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 total remuneration paid to key management (Group and The House) was £569k (2017: £537k).

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the House, directly or indirectly. The key management is considered to be delivered by the Dean, Senior Censor, Junior Censor, Treasurer, Steward and Headmaster.

**Christ Church**  
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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"). USS and OSPS schemes are contributory mixed benefit schemes (i.e. they provide benefits on a defined benefit basis - based on length of service and pensionable salary and on a defined contribution basis - based on contributions into the scheme). CEFPS, the TPS and the TPT are all contributory defined benefit schemes. 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 relating to defined benefits of each scheme on a consistent and reasonable basis. Therefore, in accordance with the accounting standard FRS 102 paragraph 28.11, the House accounts for the schemes as if they were defined contribution schemes. As a result, the amount charged to the Statement of Financial Activities represents the contributions payable to the schemes in respect of the accounting period.

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.

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

**Universities Superannuation Scheme**

The pension charge for the year includes £539k (2017 - £546k) in relation to the USS. This represents contributions of £553k payable to the USS as adjusted by the change in the deficit funding liability between the opening and closing balance sheet dates of (£14k).

USS' 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](http://www.uss.co.uk). For the period up to 1 April 2016 the employer deficit contribution was 0.7% p.a. of salaries based on the assumptions made. After allowing for those changes, the actuary established a long term employer contribution rate of 18% 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 2018 USS reported that the funding deficit had decreased to £8.4 bn (88% funded) from £10.0bn (83% funded) at 31 March 2016.

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

A provision of £852k has been made at 31 July 2018 (2017 - £845k) 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](http://www.uss.co.uk).

**23 PENSION SCHEMES CONTINUED**

**Oxford Staff Pension Scheme**

The pension charge for the year includes £565k (2017 - £209k) in relation to the OSPS. This represents contributions of £684k payable to the OSPS as adjusted by the change in the deficit funding liability between the opening and closing balance sheet dates of (£119k).

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

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

A reduction in the provision of £95k to £1,449k has been made at 31 July 2018 (2017 - reduction of £553k) 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 £29k (2017 - £37k) in relation to the CEFPS.

The latest actuarial valuation of the CEFPS, carried out at 31 December 2016, identified a funding deficit of £341m (83% funded) compared to £236m (75% funded) as at 31 December 2015. 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 Pensions Trust**

The pension charge for the year includes £32k (2017 - £35k) in relation to The Pensions Trust.

The latest actuarial valuation of The Pensions Trust 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 £130k (2017 - £122k) in relation to the Teachers' Pension Scheme.

The TPS is an unfunded scheme and members 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 2017, 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>.

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**23 PENSION SCHEMES CONTINUED**

**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	2018	2017
	£000's	£000's
Universities Superannuation Scheme	539	546
University of Oxford Staff Pension Scheme	565	209
Church of England Funded Pension Scheme	29	37
The Teachers' Pension Scheme	130	122
The Pensions Trust	32	35
NEST	1	1
Total	1,296	950

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

The House has the following financial instruments:

	2018 Group £'000	2017 Group £'000	2018 The House £'000	2017 The House £'000
<b>Financial assets measured at fair value through statement of financial activities:</b>				
Investments	433,573	391,672	438,493	391,772
	<b>433,573</b>	<b>391,672</b>	<b>438,493</b>	<b>391,772</b>
<b>Financial assets measured at amortised cost:</b>				
Cash and cash equivalents	18,268	15,081	17,438	14,505
Trade debtors	1,905	1,529	1,759	1,438
Amounts owed by House members	373	309	373	309
Amounts owed by Group undertakings	0	0	850	803
Accrued income	2,799	5,930	2,799	5,930
Other debtors	0	1	0	1
	<b>23,345</b>	<b>22,850</b>	<b>23,219</b>	<b>22,986</b>
<b>Financial liabilities that are debt instruments measured at amortised cost:</b>				
Notes payable	40,000	40,000	40,000	40,000
Bank loans - including more than 1 year	10,000	10,000	10,000	10,000
Trade creditors	3,176	2,743	2,845	2,456
Amounts owed to House Members	146	77	147	77
College contribution	0	375	0	375
Accruals and deferred income	2,599	2,254	2,592	2,246
	<b>55,921</b>	<b>55,449</b>	<b>55,584</b>	<b>55,154</b>
<b>Financial liabilities that are measured at fair value:</b>				
Fair value cost of loan swap	5,418	5,943	5,418	5,943
	<b>5,418</b>	<b>5,943</b>	<b>5,418</b>	<b>5,943</b>

Gains and losses on the loan swap in the year are disclosed on the face of the SOFA.

**Christ Church**  
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**26 RECONCILIATION OF NET INCOMING RESOURCES TO  
NET CASH FLOW FROM OPERATIONS**

	<b>2018</b>	2017
	<b>Group</b>	Group
	<b>£'000</b>	£'000
<b>Net income</b>	51,307	51,563
Elimination of non-operating cash flows:		
Investment income	(17,642)	(15,895)
(Gains)/losses in investments	(47,607)	(41,616)
Endowment donations	(1,751)	(3,043)
Interest payable on notes	1,027	898
Investment management costs	3,615	2,799
Depreciation	524	550
Increase in stock	51	(97)
(Increase)/Decrease in debtors	2,704	(4,162)
(Decrease)/increase in creditors	527	(1,651)
Decrease in provisions	(97)	(40)
(Decrease)/Increase in pension scheme liability	(88)	(516)
(Decrease)/Increase in loan swap reserve	(525)	(1,611)
<b>Net cash provided by (used in) operating activities</b>	<b>(7,955)</b>	<b>(12,821)</b>

**27 ANALYSIS OF CASH AND CASH EQUIVALENTS**

	<b>2018</b>	2017
	<b>£'000</b>	£'000
	<b>Group</b>	Group
Cash at bank and in hand	18,268	15,081
Notice deposits (less than 3 months)	0	0
Bank overdrafts	0	0
<b>Total cash and cash equivalents</b>	<b>18,268</b>	<b>15,081</b>

**28 FINANCIAL COMMITMENTS**

At 31 July the House has total commitments under non-cancellable operating leases as follows:

	<b>2018</b>	2017
	<b>£'000</b>	£'000
<b>Land and buildings</b>		
payable within one year	852	852
payable between two and five years	3,407	3,407
payable in over five years	28,959	29,811
	<b>33,218</b>	<b>34,070</b>
<b>Other</b>		
payable within one year	17	17
payable between two and five years	35	26
payable in over five years	0	0
	<b>52</b>	<b>43</b>



**Christ Church**  
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**For the year ended 31 July 2018**

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**29 CAPITAL COMMITMENTS**

The House had contracted commitments at 31 July for future capital projects totalling £3,739k (2016-17 - £0k).

**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.

	2018 £'000	2017 £'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	191	192
Dr D Obbink	434	0

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**

There are no post balance sheet events that require disclosure.