

**The Queen's College**  
**Financial Statements**  
for the year ended 31 July 2006

**The accounts' index (if any), Responsibilities of the Governing Body, Statement of Principal Accounting Policies and Independent Auditors' Report have been omitted from this 150 dpi Akme scan.**

## THE QUEEN'S COLLEGE, OXFORD

### Report of the Governing Body

The Governing Body of The Queen's College presents the annual report and financial statements for the year ended 31 July 2006.

#### Status

The Queen's College is an eleemosynary chartered charitable corporation aggregate. It was founded, under licence granted 18 January in the year 1341 by King Edward the Third, by Robert de Eglesfield, Clerk, Chaplain to Queen Philippa. The corporation comprises the Provost and Scholars of The Queen's College in the University of Oxford. The College is an exempt charity under s3(5a) Charities Act 1993 (as listed in Schedule 2(b) to that Act).

#### Objects

The College exists to provide and promote undergraduate and graduate education within the University of Oxford, and also to provide and promote university academic research. Within these Objects, the College also has various permanently endowed trust funds held for special purposes in connection with the development of College facilities and for scholarships, bursaries, prizes and other educational purposes.

#### Governance

The Governing Body of the College comprises the Provost and those Fellows of the College qualified for membership under the provisions of its Statutes. This body is constituted and regulated in accordance with the College Statutes, the terms of which are enforceable ultimately by the Visitor, the Archbishop of York. The College Statutes are as made from time to time by order of Her Majesty in Council in accordance with the Royal Charter of 1341 and the Universities of Oxford and Cambridge Act 1923. The Governing Body holds to itself responsibilities for the strategic direction of the College, for its administration and for the management of its finances and assets.

#### Review of operations and finance

The College ran a deficit of £755,411 which was partially offset by a profit of £472,668 on the disposal of fixed assets (2005: Deficit £461,561). This deficit is being addressed by a combination of cutting costs, raising income and seeking additional endowment. Nevertheless, the College is likely to run some deficit for a number of years before moving back into surplus. There are no other particular aspects to which we wish to draw attention this year.

#### Investment performance

In order to sustain the College's general level of activity into the future, the College has set itself the target of growing the endowment by 2% in real terms per annum. The Governing Body calculates the sustainable income that may be drawn from endowment in a manner that is consistent with this policy. Over the last year, a share in the College's endowment pool produced a total return of 17.7% nominal (14.4% real). The capital value grew by 15.1% nominal (11.8% real). Over the past three years, the total return averaged 16.9% nominal (13.8% real), and the capital growth averaged 14.2% nominal (11.1% real).

#### Reserves

The balance on reserves at the year end amounted to £5,262,590 (2005: £5,427,877). After allowing for the amounts invested in fixed assets and designated reserves for special purposes, the College's general reserve was £541,412 (2005: £779,936). The College seeks to maintain the general reserve at a level that will meet any short-term requirements. This is achieved by transfers to and from General Endowment.

#### Risk management

The major risks to which the College is exposed, as identified by the Governing Body, have been reviewed and systems established to mitigate these risks.

Approved by the Estates and Finance Committee of the Governing Body of The Queen's College on 29 November 2006.

A.P. Budd  
Provost

**THE QUEEN'S COLLEGE, OXFORD**  
**Income and Expenditure Account**  
**Year ended 31 July 2006**

	Notes	2006 £	2005 £
<b>INCOME</b>			
Academic fees and tuition income	1	1,449,821	1,419,453
Other operating income	2	1,882,402	1,827,788
Endowment return and interest receivable	3	2,025,847	2,101,691
<b>Total income</b>		<u>5,358,070</u>	<u>5,348,932</u>
<b>EXPENDITURE</b>			
Staff costs	4	3,412,606	3,282,504
Depreciation		165,592	160,923
Other operating expenses		2,264,774	2,082,938
Interest payable		0	74
Contribution under Statute XV		270,509	284,054
<b>Total expenditure</b>	6	<u>6,113,481</u>	<u>5,810,493</u>
Deficit for the year on continuing operations before taxation and disposal of fixed assets		-755,411	-461,561
Profit on disposal of fixed assets		472,668	0
<b>Deficit for the year</b>		<u>-282,743</u>	<u>-461,561</u>

**Statement of total recognised gains and losses**  
**Year ended 31 July 2006**

	Notes	2006 £	2005 £
<b>Reserves</b>			
Deficit for the year		-282,743	-461,561
<b>Endowments</b>			
Income receivable from endowment asset investments	12	1,801,599	1,981,592
Endowment return transferred to income and expenditure account	12	-2,025,847	-2,101,691
Appreciation of endowment asset investments	12	16,666,711	17,469,046
New endowments received	12	783,452	95,326
<b>Total recognised gains relating to the year</b>		<u>16,943,172</u>	<u>16,982,712</u>
Opening reserves and endowments		113,729,404	96,746,692
<b>Closing reserves and endowments</b>		<u>130,672,576</u>	<u>113,729,404</u>

THE QUEEN'S COLLEGE, OXFORD  
 Balance Sheet  
 As at 31 July 2006

	Notes	2006 £	2005 £
<b>Fixed assets</b>			
Tangible assets	7	4,721,178	4,647,941
<b>Endowment asset investments</b>			
Securities and cash deposits		84,467,827	72,013,227
Land and property		44,942,160	40,288,300
	8	<u>129,409,987</u>	<u>112,301,527</u>
Financed by loans	11	<u>-4,000,000</u>	<u>-4,000,000</u>
		<u>125,409,987</u>	<u>108,301,527</u>
<b>Current assets:</b>			
Stocks		421,351	411,952
Debtors	9	892,299	694,376
Cash at bank and in hand		410,123	817,609
		<u>1,723,773</u>	<u>1,923,937</u>
<b>Creditors:</b>			
Amounts falling due within one year	10	-1,182,362	-1,144,001
<b>Net current assets</b>		<u>541,411</u>	<u>779,936</u>
<b>TOTAL NET ASSETS</b>		<u>130,672,576</u>	<u>113,729,404</u>
<b>Endowments</b>			
Specific		28,525,255	24,480,022
General		96,884,732	83,821,505
	12	<u>125,409,987</u>	<u>108,301,527</u>
<b>Reserves</b>			
General reserves		5,262,589	5,427,877
	13	<u>5,262,589</u>	<u>5,427,877</u>
<b>TOTAL FUNDS</b>		<u>130,672,576</u>	<u>113,729,404</u>

The financial statements were approved by the Estates and Finance Committee of the Governing Body of The Queen's College on 29 November 2006.

A. P. Budd  
 Provost

P. D. McLeod  
 Estates Bursar

**THE QUEEN'S COLLEGE, OXFORD**  
**Cash Flow Statement**  
Year ended 31 July 2006

	Note	2006 £	2005 £
<b>Net cash outflow from operating activities</b>	19	<u>-2,784,627</u>	<u>-2,228,037</u>
Returns on investments and servicing of finance			
Income from endowments received		2,008,608	2,197,046
Interest paid		-207,009	-215,454
Net cash inflow from returns on investments and servicing of finance		<u>1,801,599</u>	<u>1,981,592</u>
Capital expenditure and financial investment			
Acquisition of tangible fixed assets		-253,079	-41,708
Disposal of tangible fixed assets		486,918	0
Net acquisition of endowment asset investments		2,164,537	-1,819,157
Endowments received		783,462	95,326
Net cash inflow / (outflow) from capital expenditure and financial investment		<u>3,181,828</u>	<u>-1,765,539</u>
<b>Net cash inflow / (outflow) before use of liquid resources and financing</b>		2,198,800	-2,011,984
Management of liquid resources	20	-2,606,286	2,615,785
<b>(Decrease) / increase in cash</b>	21	<u>-407,486</u>	<u>603,801</u>
<b>Reconciliation of net cash flow to movement in net debt</b>	21		
(Decrease) / increase in cash for the year		-407,486	603,801
Increase / (decrease) in liquid resources		2,606,286	-2,615,785
Change in net debt		<u>2,198,800</u>	<u>-2,011,984</u>
Net debt at beginning of year		-2,068,626	-56,642
<b>Net debt at end of year</b>		<u>130,174</u>	<u>-2,068,626</u>