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### Christ Church development plan

- Our contribution to the University-wide Campaign for Oxford
- A statement of agreed values for the House and its Old Members
- Our commitment to continue the tutorial system
- A financial analysis of needs and resources over time
- A fundraising programme for an enduring solution and financial independence
By 2006/07 the total had exceeded £20 million and, following the landmark donation of £25 million from Michael Moritz (1973) and Harriet Heyman, that target has now been comfortably passed.

During the course of 2007, a review was undertaken to prepare for the second phase of the development. The aim was to produce a plan with an extended time horizon, incorporating a complete audit of objectives, needs and resources, no longer simply addressing individual problems as they become apparent.

This document therefore marks the evolution from a finite campaign, raising funds for selected individual projects, to a comprehensive programme for the whole House that also makes a clear statement of what it stands for. Over time, this will provide an enduring solution to the continuing financial needs.
Introduction, summary and conclusions

Section 2: The case for support

The definitive argument for support is rooted in the unique benefit of a Christ Church education. Its worth is understood by those who have been at the House and it is something to be preserved, without devaluation, for graduates and undergraduates now and in the future.

The starting point of the argument is that Christ Church is very expensive to run. To offer everything that is demanded, in particular a fully-fledged tutorial-based education, requires resources beyond our current capability.

The importance of the tutorial system and the threats it faces are described in Section 4. Delivering that system – crucial to the essential quality of Oxford undergraduate education – puts immense pressure on any college’s finances. At Christ Church, the joint foundation – college and cathedral – carries additional financial responsibility both for the many unique features that contribute to its special identity, and for the sheer scale of the historic buildings. These and other special features probably account for as much as £1.75 million in additional annual running costs compared to most other colleges.

“This document places individual funding goals within the context of our educational aims and the financial environment in which we operate. It seeks financial support through a demonstration of agreed values, a cogently argued case and evidence of prudent management of the House and its resources.”

Coupled with shrinking government support in real terms, these pressures have, in recent years and despite extensive efforts to rationalise resources and control costs, forced the college to run an operating deficit, even before allowance for capital projects on restoration and upgrade of historic buildings. Capital maintenance will inevitably be a continuing requirement (forecast at around £2 million per annum), even after the major current projects, such as Blue Boar, the Library and Meadow Tower, have been completed.

Despite a significant endowment (Appendix 2, p. 24), the cumulative operating deficit had, at the end of 2006/07, reached £6.4 million. Unless corrected, it could rise to £15 million by 2012/13 (Appendix 1, p. 22).
Introduction, summary and conclusions

To prevent further increases, a fundraising programme is now needed that will not only cover the demands of the 'here and now', but will also, in a planned and structured way, build the endowment. The eventual goal is an endowment capable of protecting the core educational functions of Christ Church in perpetuity, making emergency project fund-raising a thing of the past.

As of 2008, this objective was estimated to require an increase to the permanent endowment of around £70 million. However, allowing for firm pledges already agreed, and also the Moritz Heyman donation, the figure falls to a more achievable £44 million. The exceptional generosity of the Moritz Heyman gift has given us a substantial and timely incentive to achieve our target.

The case for support is spelled out in detail in the sections that follow. The plan that emerges is based on agreed educational objectives and quantified evidence of need. It aims to preserve and develop the most valuable features of the House, and through this to make Christ Church's contribution to the broader purpose of sustaining Oxford as one of the world's leading universities.

“The definitive argument for support is rooted in the unique benefit of an Oxford education at Christ Church. Its worth is understood by those who have been at the House and it is something to be preserved, without devaluation, for graduates and undergraduates now and in the future.”
Section 3: Agreeing core values

The Campaign for Oxford, launched in May 2008, sets the context of our broader goal. Oxford’s federal nature distributes educational and pastoral responsibilities between the colleges and parts of the central university. Although individual colleges differ in character, all share certain core values that are crucial to the success of the whole University.

Christ Church, like other major colleges, offers an environment in which to live and study where academic excellence, across many different disciplines, is accessible in daily life. It offers to those who work and study here something unique and intangible.

Core values are the standards and attributes on which our claims to excellence are based.

- **Self-determination within the collegiate university** acknowledges that, whilst coordinated and consensual policy making is important for effective governance, the ability of the colleges to determine their own strategies for academic and financial development is an essential ingredient to the diversity and enlargement of the whole.

- **The tutorial system**, funded by colleges, but pivotal to the esteem and reputation of the University, is under threat (see Section 4). The financial burden of personal tutorials can lead to dilution of the formula, threatening one of the flagships of the University’s claim to excellence. At Christ Church we must ensure that the tutorial system is perpetuated, offering the best teaching, monitoring and care.

- **Admission on merit and potential alone**, regardless of background and free from any sort of quota, can only be preserved through open access and the authority of the colleges to determine selection.

- **A balanced mix of undergraduate, postgraduate and research study** within Christ Church must reflect the importance of each element to the total value of the House and University. Christ Church must attract the very best at all levels, but currently, for example, it has no provision for fully funded graduate scholarships.

- **The historic buildings, gardens and meadow** are part of the special identity of the House; and it is incumbent upon succeeding generations to restore, maintain and eventually upgrade them.
Aims and objectives

- **Cultural, social and sporting** opportunities are offered to cater for a great range of interests and character types. The freedom to pursue chosen activities or develop new skills is part of the experience offered by Christ Church. Expenditure on these activities must be sustained to enhance the breadth of collegiate life.

- **Old members of the House** are recognised and valued as life-long constituents of the Christ Church community. They are appreciated for their continuing interest and the very considerable financial support that so many have given.

To perpetuate Christ Church’s position as one of the leading colleges within Oxford we must invest in the core values that sustain them. Excellence comes at a price. If our endowment continues to lag behind many of our major world competitors, our position will be increasingly threatened.

“Old Members of the House are recognised and valued as life-long constituents of the Christ Church community. They are appreciated for their continuing interest and the very considerable financial support that so many have given.”

Section 4: The future of the tutorial system

4.1 **The tradition and the case for tutorials**

The tutorial system has been, for the majority of undergraduates, the most formative influence on their educational development at Oxford. The experience of researching, writing and arguing through a topic that will be individually and critically scrutinised for an hour or more by an experienced and often eminent academic can be daunting, but more frequently it is exhilarating.

The depth and intensity of thought processes that emerge from tutorials can be life changing and, if applied with due endeavour, will stay with students for ever.

When Old Members credit Christ Church with the opportunities that have opened up their lives, it is more often than not the tutorial relationship that has been at the core of their achievement.

For a college, the tutorial system is the difference between a thriving community based on teaching and learning and a simple hall of residence. Without it, Christ Church and other colleges would lose most of their identity and the University would lose one of the pillars of its greatness.
4.2 The tutorial system under pressure

The pressure to compromise on tutorial provision comes not just from the inherently high cost of low student/tutor ratios, but also from trends in government funding that have given increasing importance to research and publications, sometimes at the expense of teaching.

In consequence, the central university periodically seeks to change the terms of an academic appointment to one where the postholder has a larger faculty commitment (University Lecturers or ULs) where previously there had been a larger college teaching commitment (CUFs). Whilst all colleges employ a combination of CUFs and ULs, the distribution has changed over time, in particular in the humanities and social sciences, as a retiring CUF is often replaced by a UL, or sometimes is not replaced at all.

This effect has been compounded by faculties reforming “stint” or offering other teaching allowances, which reduce the number of tutorial hours required of academics, whether CUFs or ULs, allowing more research time and thereby attracting more central funding. Arriving at a precise figure is complex, but it can be estimated that Christ Church has lost up to 20% of its full-time tutorial capacity of ten years ago.

The response of the colleges is to replace lost tutorial hours with contracted stipendiary lecturers (some studying for graduate degrees) who are generally employed on short-term contracts with small weekly commitments.

4.3 A better response

To offer anything less than excellent undergraduate teaching would be striking at the very heart of Christ Church’s standing amongst the leading colleges at Oxford.

The first task must therefore be to protect our strengths by endowing existing CUF and UL posts. This may require funding a higher proportion of the total salary cost from the college end than has hitherto been the case.

After an allocation of current income, the net endowment cost of a CUF is around £1 million, and £600,000 for a UL.
Aims and objectives

4.4 Adapting to change: Career Development Fellows

The issue, however, is not just a financial one. Changes in central university policy place structural constraints on tutorial provision and this may, in some circumstances, require a different model to achieve a similar result.

The three prerequisites for a successful tutorial structure are excellent teaching, continuity of relationship with undergraduates, and participation in the wider life of the college. Whilst these are most effectively provided by CUF and UL Studentships, the appointment of Career Development Fellows can successfully fill the tutorial gaps whilst meeting all three requirements.

The CDF model is normally likely to be a five-year appointment that will attract higher-calibre applicants than will be available for a fixed-term lectureship. The weekly tutorial requirement will be for up to six hours teaching (or three for the sciences), a manageable amount for a young academic. It will allow for continuing research and a modest involvement in departmental teaching at university level, which will help the CDF to secure a permanent post at the end of the appointment.

The length of the fellowship provides tutorial continuity across a number of years and CDFs can be fully involved in college life: in administration, admissions, open days, welfare etc.

This will protect the tutorial system at Christ Church in perpetuity and help to make the college independent of changes within the University.

The Career Development Fellow not only strengthens the quantity and quality of current tutorial teaching but also, through the offer of highly attractive positions with medium-term tenure, offers younger academics important teaching experience, and, most importantly of all, helps develop the tutors of the future.

Career Development Fellows will be a key element in our defence of the tutorial system. They will of course also be an added commitment to the budget, and as such are the keystone of our appeal for financial support from Old Members.

“To offer anything less than excellent undergraduate tutorials would be striking at the very heart of Christ Church’s standing amongst the leading colleges at Oxford.”
Section 5: The fabric: sustaining and enhancing the House

Christ Church has a coveted and individual identity. The Joint Foundation, the grandeur of its architecture, the idiosyncratic names of its officers as well as the Meadow, Cathedral, Picture Gallery, Library and Archives, together create a distinctiveness that permeates through to those who work and study there. But it comes at a price.

The cost of running, maintaining and restoring the historic fabric is an unavoidable part of our expenditure commitments. It requires conservation expertise and planning, as well as more basic upgrading of facilities. It is expensive for all colleges, but for none more than Christ Church.

Tom Quad, the Hall, the Library, the Cathedral, Peckwater and Meadow Building, together constitute the largest and most imposing college in Oxford. Along with the Meadow and gardens, these hugely important and much loved features are integral to the identity of Christ Church. But they also account for possibly as much as £1.75 million in extra annual running costs, compared to most other colleges.

Major restoration projects currently being undertaken or sitting in an urgent planning queue include Blue Boar (£10 million) and the Library (£3.5 million). By the very nature of the fabric, such restoration demands must be expected to be continuing and essential for the preservation of the House.

The buildings and land within the curtilage of Christ Church affect costs in three distinct ways: restoration, routine maintenance and annual operating expenditure. What makes them special also makes them expensive.

The appointment of a conservation architect to the joint foundation and the formation of a fabric committee will ensure that the (almost exclusively) Grade 1 listed buildings will be well managed and secured for the future.
Section 6 - Government funding and the College Contributions system

This section examines the financial context and constraints within which Christ Church operates. An analysis of the endowment, and an explanation of the 3.25% annual take, is found in Appendix 2, page 24.

Since 1999-2000, the UK Government has provided a single annual subvention to Oxford University with some of this going to colleges to cover part of their teaching costs.

In the year ended 31 July 2007, Christ Church received £1.8m reflecting a compound annual increase of 4.8% since its introduction (significantly lower than academic inflation over the same period).

Conversely for Christ Church, the central university also operates the College Contributions Scheme, which is designed for better endowed colleges to assist colleges that are less well provided for. The cost to Christ Church in 2007/08 was £382,000. This scheme is to be phased out in ten years’ time.

Although the government contribution is small in proportion to total income (11.4%), it is still important at the margin (the funding gap would double without it) and reinforces the need for colleges to increase efforts to be financially independent.

Section 7 - The Michael Moritz/Harriet Heyman donation

On June 17th 2008 Christ Church was delighted to announce an endowment donation of £25 million from Michael Moritz (1973) and his wife Harriet Heyman. The impact of the donation has been felt beyond the boundaries of Christ Church and the terms of the donation are explained in full on the University website.

For Christ Church, the donation has three far-reaching implications:

- It is in line with, and makes a major contribution to, the current plan for an enduring solution to the House’s educational needs through endowment.
- It will provide annually around £800,000 of predictable income.
- A condition is attached that 1/8th of the income in any year will be withheld until matching donations have been raised from younger Old Members of the House (post 1983). This adds impetus to our drive to widen the donor base from this cohort.

The donation is structured as a long-term boost to the House’s efforts to build the permanent endowment, rather than a solution to short-term needs.
“With most expenditure items fixed by the nature and size of the House, incremental endowment remains the most likely revenue source to generate a long term operating surplus that will cover capital expenditure needs, without compromising core values.”

Section 8. Income and expenditure Analysis (2007/08 – 2012/13)

By projecting income and expenditure outcomes over a five year term, it is possible to quantify the funding requirement necessary to meet current deficits and build up our enduring financial security.

A detailed five-year breakdown of income and expenditure forecasts can be found in Appendix 1 Table 1 on page 22. The headline figures, however, are summarised and evaluated in Figures 1, 2 and 3.

8.1 Operating income and expenditure: an unsustainable deficit

Christ Church depends heavily for its revenue on endowment returns with nearly 50% of income drawn from this source. (Management and performance of the endowment, including OXIP, are explained in Appendix 2, p. 24)

Conference and tourism income have also become increasingly significant and, with upgraded accommodation facilities, could show further growth potential.

With any growth in government contributions (academic fees and tuition) projected to be at best modest, increasing the size of the endowment through fundraising is realistically the only revenue source that can now make a significant difference to the total.

On the expenditure side, the breakdown into operational areas in Appendix 1 reveals the pressure points in the provision of key activities. Ironically, the expenditure items that are arguably most important (teaching and the maintenance of historic fabric) are also the most vulnerable in terms, respectively, of dilution and deferment.
Financial context

It can be seen in Figure 2 that the total of infrastructure running costs (plus Cathedral and Cathedral School) accounts for about 25% of the total cost: far higher than would be expected in most other colleges.

Despite a relatively large endowment, the expenditure requirements at Christ Church are exceptional. Prior to the Moritz/Heyman donation, an unsustainable operating deficit, averaging £570,000 per annum, was forecast over the period shown, before any capital projects were factored in. Actual figures vary from the forecast year by year, generally due to deferral of maintenance costs, resulting in higher expenditure in the following year (see Appendix 1, p. 22, Table 1 2008/09 and 2009/10). Headline figures are shown in Figure 3.

The significant increase in deficit in 2009/10 reflects the accumulation of deferred maintenance costs from the previous years.

With most expenditure items fixed by the nature and size of the House, incremental endowment remains the most likely revenue source to generate a long term operating surplus that will cover capital expenditure needs, without compromising core values.
8.2 Capital expenditure – a continuing requirement

Capital expenditure, over and above maintenance and routine repairs, comprises mainly restoration and upgrade of historic buildings. (Annual projections can again be found in Appendix 1 Table 1 on page 22).

The most recent major capital project has been Blue Boar, which has been spread over two financial years starting in July 2007 to be completed by Easter 2009. The Library is scheduled for 2008/9, running into 2009/10 and Meadow Tower as early as possible thereafter.

Although no major projects have been scheduled thereafter, it can be expected that restoration and upgrade work will be continuing and rotational (Tom Quad, Cathedral, Peckwater etc). Although not on the scale of Blue Boar, it is forecast to be in the region of £2 million per annum.

Section 9 - The Funding Gap

The total funding requirement takes into account planned capital expenditure on top of the annual operating deficit of £570,000. (See Fig. 3, and Appendix 1 Table 1)

The bottom line deficit, however, is reduced by the inclusion of firm fundraising commitments already in the pipeline and anticipated returns on the Moritz/Heyman endowment gift (£600,000 for 2008-09 and £800,000 thereafter). The funding gap on the combined operating and capital account, however, still averages out at £1,446,000 per annum over the five year period as illustrated in Figure 4 (see Appendix 1 Table 2)

The significance of the above projections is that, if there were no further fundraising contribution, the funding gap would rise by £8,676 million over the period. With the carried forward cumulative deficit of £15.076 million by 2012-13.

It is clear that, with a continuing operating deficit, as well as further significant commitments to capital expenditure, the historic funding gap that has built up over the last four years will continue to grow unless substantial additional sources of income can be generated.

In Figure 4 Known Fundraising Contribution refers to either cash received or confirmed pledges from the capital fundraising programme (previously the Campaign for Christ Church) and the Annual Fund, over the time period.

The contribution from endowment gifts, including the Moritz Heyman donation is included at 3.25% of the total sum donated (see Appendix 2).
Section 10 · Short and long term targets

To establish fundraising targets, it has been appropriate to use the average annual funding gap of £1.44 million per annum (rounded), rather than working on actual figures which vary year on year. A sinking fund will carry over variations between the funds raised and used in any particular year.

The enduring (long term) target is to generate, through increased endowment, a predictable operating surplus that will meet capital expenditure requirements without resorting to short term campaigns. In other words, to generate an additional £1.44 million per annum over and above the Moritz Heyman contribution and other known fundraising income (see Figure 4). If funded entirely from endowment, it would require approximately £44 million additional endowment.

This clearly cannot be achieved instantly and, in the meantime, therefore, direct funding is still necessary to prevent continuing deterioration in the cumulative deficit.

Our fundraising strategy, therefore, requires fighting on two fronts: to cover the current funding gap on capital projects and steadily to accumulate incremental endowment for a long term solution.

Section 11 · Capital and Annual Fund targets

Fundraising has historically been made up of donations to the Capital Campaign (major gifts of £20,000+) and to the Annual Fund (smaller gifts for specific items in the budget).

Both sources will be important in eliminating the funding gap and are included in Figure 5.

These targets were set in summer 2008 and maybe subject to variation in line with economic changes.

Figure 5 · Five Year Fundraising Targets (£000)
Fundraising goals and targets

On average, however, donations are forecast to increase in line with Figure 5, although year on year they may be subject to variation.

Expected annual fundraising targets will level out at around £5 million after 2012/13.

11.1 Capital Fund contribution

If the capital fundraising targets in Figure 5 are met, monies can be allocated each year to cover the funding gap of £1.44 million, with residual funds directed towards accumulation of endowment. Figure 6 shows that, on that basis, incremental endowment rises to £12.8 million over the period.

The annual contribution from the incremental endowment (Figure 7) maps the progress towards achieving the longer term objective of releasing funds for the capital programme. By 2012/13 it is forecast that, through endowment of key areas of expenditure, an extra £416,000 annually will be generated towards the bottom line funding gap.

“The enduring (long term) target is to generate, through increased endowment, a predictable operating surplus that will meet capital expenditure requirements without resorting to short term campaigns.”
Fundraising goals and targets

11.2 Annual Fund contribution
Annual fund donations are mostly in the nature of regular gifts over a four / five year period. Whilst significantly smaller than capital fund donations, the cumulative effect over a number of years can be to generate a substantial and, in the medium term, predictable source of income.

Annual Fund donations traditionally have been split between elements of the budget already identified (75%) and new projects which might get overlooked without specific funding (25%). Whilst allocations to new projects will not have an impact on reducing the funding gap, it can be assumed that the remaining 75% will have the same effect as capital fundraising.

11.3 Combined contributions.
The total contribution from both incremental endowment and Annual Fund campaigns is shown in Figures 7 and 8.

Projecting fundraising targets forward, the combined contributions from incremental endowment and Annual Fund will break even with the funding gap in twelve years.

It can be seen that contributions from the Annual Fund have an important and direct effect in reducing the incremental endowment required, and therefore the time it will take to cover annual capital expenditure from internally generated income. However, the Annual Fund...
Fundraising goals and targets

“Gifts from the Oppenheimer and Moritz families, along with several other very significant sums, have increased the total endowment by more than £35 million since the Campaign for Christ Church began in 2002. A similar achievement, spread amongst a larger number of Old Members, will put the House within sight of financial security and independence.”

does not have the same absolute reliability that endowment offers.

To generate sufficient endowment to eliminate the funding gap without reliance on annual fund contributions would take until 2023 and require an increase of £44 million, as opposed to somewhere between £32 and £37 million depending on the success of the Annual Fund campaign (see Figure 9).

It is also of note that the impact of the Moritz/Heyman donation has been to reduce the overall funding requirement by over a third.

II.4 Conclusion

This analysis identifies the scale of the task if Christ Church is to establish a secure and reliable balance of income and expenditure. It therefore establishes a substantiated case for support on the grounds of financial need.

In order to preserve the core values of collegiate education, as outlined in Section 3, as well as the significant overhead from the very special features that the House enjoys, then these targets and more must be achieved.
Section 12: Bite-sized endowment – the enduring solution

The fundraising targets in Section 11 are expressed in aggregate, though broadly split between endowment and projects.

Within the total, however, it is possible to identify specific targets towards which Old Members can give, such that their benefaction will have a tangible result as well as supporting the bottom line. Bite-sized endowment breaks down operating expenditure into smaller constituent elements that will be meaningful to Old Members.

For example, whilst it would require around £4 million to endow the Library in its totality, the same result may be achieved by breaking down the cost into subject areas, with small groups of three or four Old Members contributing to each.

Similarly a group of 50 who read the same subject could endow a CUF Studentship for £20,000 each (£3,000 per annum over four years, after tax relief) and raise the £1 million necessary to secure that post in perpetuity.

The appeal of bite-sized endowment is that it can, as a restricted donation, preserve in perpetuity an important element of college life; at the same time it is releasing funds from the budget towards building the annual surplus for a structured, long term capital programme.

Bite-sized endowment combines significance with affordability, and small group giving is ideally suited to this approach.

A full list of endowment targets is included in Figure 10 (see over), along with suggested maximum donor numbers and recommended individual financial commitment.

Although the net contribution required for an individual endowment may vary, it is generally computed at 60% of the full cost, after taking into account allocation of disposable income from existing trusts and endowment.

Endowment of key areas of the House is a continuing process and, whilst any endowment contributes equally to narrowing and eventually eliminating the funding gap, there will be an overriding focus on tutorial posts rotationally across the subjects. The tutorial system is, after all, the foremost core value that we wish to uphold. Amongst others, two have already been individually endowed in Politics and Physics. In 2007/08 a group of around 40 historians funded a Studentship in Modern History in memory of the legendary tutor, CH Stuart. Similar projects are planned for Geography and PPE, and the process will continue through the whole range of front line subjects.
### Individual funding options

#### Figure 10  Bite size endowment: targets and costs

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<tr>
<th>ACADEMIC CATEGORIES</th>
<th>Target expenditure per annum</th>
<th>Gift type</th>
<th>Standard endowment target</th>
<th>Recommended donor base</th>
<th>Donation per person</th>
<th>Donation before gift aid</th>
<th>Cost after HST relief</th>
<th>Annual cost over four years</th>
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<th>Annual cost over four years</th>
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</thead>
<tbody>
<tr>
<td>Library by subject (x 39 subject stages)</td>
<td>£3,300</td>
<td>EN</td>
<td>£102,000</td>
<td>3</td>
<td>£34,050</td>
<td>£26,560</td>
<td>£20,430</td>
<td>£5,110</td>
</tr>
<tr>
<td>Archive</td>
<td>£23,400</td>
<td>EN</td>
<td>£720,000</td>
<td>1</td>
<td>£720,000</td>
<td>£561,600</td>
<td>£432,000</td>
<td>£108,000</td>
</tr>
<tr>
<td>Picture Gallery</td>
<td>£66,000</td>
<td>EN</td>
<td>£2,000,000</td>
<td>1</td>
<td>£2,000,000</td>
<td>£1,560,000</td>
<td>£1,200,000</td>
<td>£300,000</td>
</tr>
<tr>
<td>Gardens (7 individual areas)</td>
<td>£10,000</td>
<td>EN</td>
<td>£308,000</td>
<td>1</td>
<td>£325,000</td>
<td>£253,500</td>
<td>£195,000</td>
<td>£48,750</td>
</tr>
<tr>
<td>Lecture Theatre</td>
<td>£25,000</td>
<td>EN</td>
<td>£770,000</td>
<td>1</td>
<td>£750,000</td>
<td>£585,000</td>
<td>£450,000</td>
<td>£112,500</td>
</tr>
<tr>
<td>Meadow</td>
<td>£84,000</td>
<td>EN</td>
<td>£2,500,000</td>
<td>1</td>
<td>£2,500,000</td>
<td>£1,950,000</td>
<td>£1,500,000</td>
<td>£375,000</td>
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</table>

<table>
<thead>
<tr>
<th>CATHEDRAL</th>
<th>Target expenditure per annum</th>
<th>Gift type</th>
<th>Standard endowment target</th>
<th>Recommended donor base</th>
<th>Donation per person</th>
<th>Donation before gift aid</th>
<th>Cost after HST relief</th>
<th>Annual cost over four years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Choristers</td>
<td>£5,400</td>
<td>EN</td>
<td>£165,000</td>
<td>1</td>
<td>£165,000</td>
<td>£128,700</td>
<td>£99,000</td>
<td>£24,750</td>
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<tr>
<td>Director of music</td>
<td>£20,000</td>
<td>EN</td>
<td>£660,000</td>
<td>1</td>
<td>£600,000</td>
<td>£468,000</td>
<td>£360,000</td>
<td>£90,000</td>
</tr>
<tr>
<td>Chorister singing lessons</td>
<td>£600</td>
<td>EN/AF</td>
<td>£18,500</td>
<td>1</td>
<td>£18,460</td>
<td>£14,400</td>
<td>£11,080</td>
<td>£2,770</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DEVELOPMENT</th>
<th>Target expenditure per annum</th>
<th>Gift type</th>
<th>Standard endowment target</th>
<th>Recommended donor base</th>
<th>Donation per person</th>
<th>Donation before gift aid</th>
<th>Cost after HST relief</th>
<th>Annual cost over four years</th>
</tr>
</thead>
<tbody>
<tr>
<td>NetCommunity</td>
<td>£2,400</td>
<td>EN/AF</td>
<td>£73,800</td>
<td>20</td>
<td>£3,690</td>
<td>£2,880</td>
<td>£2,220</td>
<td>£550</td>
</tr>
<tr>
<td>Christ Church Matters</td>
<td>£7,200</td>
<td>SP</td>
<td>£72,000</td>
<td>1</td>
<td>£72,000</td>
<td>£56,160</td>
<td>£43,200</td>
<td>£10,800</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>STUDENT SUPPORT</th>
<th>Target expenditure per annum</th>
<th>Gift type</th>
<th>Standard endowment target</th>
<th>Recommended donor base</th>
<th>Donation per person</th>
<th>Donation before gift aid</th>
<th>Cost after HST relief</th>
<th>Annual cost over four years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hardship grants (Half endowed)</td>
<td>£40,000</td>
<td>EN/AF</td>
<td>£615,000</td>
<td>1</td>
<td>£615,400</td>
<td>£480,000</td>
<td>£369,200</td>
<td>£92,310</td>
</tr>
<tr>
<td>Book grants</td>
<td>£15,000</td>
<td>EN/AF</td>
<td>£600,000</td>
<td>1</td>
<td>£600,000</td>
<td>£358,800</td>
<td>£276,000</td>
<td>£99,000</td>
</tr>
<tr>
<td>Graduate scholarships</td>
<td>£9,000</td>
<td>EN/AF</td>
<td>£277,000</td>
<td>1</td>
<td>£277,000</td>
<td>£216,100</td>
<td>£166,200</td>
<td>£41,550</td>
</tr>
</tbody>
</table>

**NOTE:** CUF = Combined University Fund, UL = University Lecturer, CDF = Career Development Fellow, JRF = Junior Research Fellow  
**GIFT TYPES:** EN = suitable for endowment gift; AF = also suitable for Annual fund support.
Individual funding options

Section 13 - Current Capital Projects
(The here and now)

Capital projects are a continuous feature of any college’s development needs and none more so than Christ Church.

Most typically, single major gifts and giving circles, many of which carry naming and other recognition opportunities, are requested in order to combine a normally large sum required, with a time frame that is frequently urgent.

Projects for which donations are currently still sought include the Blue Boar Lecture Theatre, the Archive and more recently the Library. Details of these projects are individually covered in separate brochures.

In order to establish a regular and structured approach to capital projects, it is proposed to set up a sinking fund to accumulate resources (or at least commitments) ahead of the need to spend. This will alleviate some element of ‘fire fighting’ from the process and enable the Treasury to plan capital projects in advance of a situation of urgency.

The naming of an Old Member’s room at £20,000 is an appropriate vehicle for such a fund. Not only does it allow them to record their time at the House for generations to come, but also makes possible an accumulation of funding that, even if paid in monthly or annual instalments, will provide a predictable source over a number of years.

Details of giving opportunities relating to restoration and upgrade projects are listed below and in the Library brochure, also available from the Development Office. Details of the room naming initiative can be found in the Annual Fund brochure and pamphlet, ‘Rooms at Christ Church: A Focus for Fundraising’.

“Since the financial requirement for building restoration projects is variable, it is prudent to accumulate a sinking fund to avoid ‘fire fighting’ when the need for major expenditure arises. The naming of an Old Member’s room at £20,000 (£3,000 per annum net over 4 years) offers an appropriate and predictable vehicle for this purpose.”

Figure 11 - Major project targets

<table>
<thead>
<tr>
<th>Project</th>
<th>Gross cost with naming opportunities</th>
<th>Donation required before Gift aid</th>
<th>Net of HRT relief over 4 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Library Central Hall and Staircase</td>
<td>£1,000,000</td>
<td>£780,000</td>
<td>£150,000</td>
</tr>
<tr>
<td>Blue Boar Lecture Theatre</td>
<td>£750,000</td>
<td>£585,000</td>
<td>£112,500</td>
</tr>
<tr>
<td>Archive</td>
<td>£300,000</td>
<td>£234,000</td>
<td>£65,000</td>
</tr>
<tr>
<td>The Cherwell Bridge</td>
<td>£350,000</td>
<td>£273,000</td>
<td>£52,500</td>
</tr>
<tr>
<td>Blue Boar Exhibition Centre</td>
<td>£225,000</td>
<td>£175,500</td>
<td>£33,750</td>
</tr>
<tr>
<td>Blue Boar Outdoor Theatre</td>
<td>£200,000</td>
<td>£156,000</td>
<td>£30,000</td>
</tr>
<tr>
<td>Room naming sinking fund</td>
<td>£20,000</td>
<td>£15,600</td>
<td>£3,000</td>
</tr>
</tbody>
</table>
Individual funding options

Section 14 - Annual Fund projects

The Annual Fund typically contributes to projects where a large number of smaller donations can make a significant difference (refurbishment of computer rooms) or where a contribution towards a project might be sufficient, on the margin, to make it happen (a five year appointment of a Career Development Fellow).

Traditionally 50% of unrestricted Annual Fund contributions (25% of the total) have gone towards new projects, for which different departments can make applications to the Disbursement Committee. However, the majority is directed either by donor choice or by the committee towards expenditure that falls within the core educational expenditure of the House.

Along with all major gifts, therefore, the Annual Fund is part of the over-arching plan to create an enduring solution to the development needs of the House.

Crucially, by funding some element of current expenditure out of direct giving, rather than returns on endowment, the impact of the Annual Fund can be very effective. Installments from regular gifts (say monthly donations over five years) also allow a medium term predictability that is of major value for funding annual expenditure on items that recur each year such as student support.

Many items are therefore appropriate for either regular giving or endowment. Whilst endowment has the advantage of perpetuity and is therefore suitable for continuing needs, regular gifts to the annual fund are appropriate for fixed term requirements such as a five year post or smaller one off projects such as refurbishment of computer rooms. Specific recommendations will appear in the Annual Fund brochure, some falling on the border between a large annual fund donation and a major gift (see naming of rooms).

Figure 12 - Annual Fund projects
Number of five year monthly donations (net of gift aid) required to meet the annual target

<table>
<thead>
<tr>
<th>Fund</th>
<th>Annual target</th>
<th>£10</th>
<th>£25</th>
<th>£50</th>
<th>£60</th>
<th>£100</th>
<th>£200</th>
<th>£500</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td>£150,000</td>
<td>195</td>
<td>78</td>
<td>39</td>
<td>33</td>
<td>20</td>
<td>10</td>
<td>8</td>
</tr>
<tr>
<td>Student support (general)</td>
<td>£40,000</td>
<td>52</td>
<td>21</td>
<td>11</td>
<td>9</td>
<td>6</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Student support (book grants)</td>
<td>£15,000</td>
<td>20</td>
<td>8</td>
<td>4</td>
<td>4</td>
<td>2</td>
<td>1</td>
<td>n/a</td>
</tr>
<tr>
<td>Graduate scholarship</td>
<td>£9,000</td>
<td>12</td>
<td>5</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>n/a</td>
</tr>
<tr>
<td>Five year CDFs</td>
<td>£20,000</td>
<td>26</td>
<td>11</td>
<td>6</td>
<td>5</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Graduate Common Room</td>
<td>£10,200</td>
<td>14</td>
<td>6</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>n/a</td>
</tr>
<tr>
<td>Junior Common Room</td>
<td>£10,200</td>
<td>14</td>
<td>6</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>n/a</td>
</tr>
<tr>
<td>Net Community</td>
<td>£2,400</td>
<td>4</td>
<td>2</td>
<td>1</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Sports grants x 5</td>
<td>£4,200</td>
<td>6</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Cathedral projects</td>
<td>£30,000</td>
<td>39</td>
<td>16</td>
<td>8</td>
<td>7</td>
<td>4</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>IT projects</td>
<td>£10,000</td>
<td>13</td>
<td>6</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>n/a</td>
</tr>
<tr>
<td>Room naming</td>
<td>£20,000</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>1</td>
</tr>
</tbody>
</table>
Individual funding options

Section 15 · Trusts, Foundations and Legacies

Donations from Trusts and Foundations are an additional source of funding for colleges, but more often the University. Fundraising protocols allow colleges to approach Trusts and Foundations, on receipt of clearance from the University Development Office.

Christ Church has indeed benefited from many such gifts, most notably the Tower Trust which gave £5 million for the promotion of poetry in the English Language and endow a research fellowship in Greek Mythology. These donations, more generally appropriate for restoration of historic buildings, will be actively sought as part of the development plan, but do not, as yet have enough predictability to be factored in to the plan. Assistance from Old Members in identification and solicitation of potential Trust gifts will be an important contribution to our success.

Bequests from Old Members have historically been a valuable source of income. Current plans to create a legacy society will, over time, increase their frequency and benefits, ultimately providing a predictable minimum annual contribution to the House.

Conclusion

Endowment, project and annual fund targets are summarised in Section 11.3 and present a focus for donations that will, at the same time, support particular elements of the budget and contribute to the overall need to bridge the funding gap of £1.44 million each year.

The progression towards a sound financial structure, where capital needs are funded out of predictable operating surplus, is contingent upon success in building up the endowment by an additional £69 million.

The Moritz/Heyman donation has already accounted for 36% of the total and has made a very significant move in that direction.

However, the successful achievement of this target will depend on donations of much smaller amounts that contribute through bite-sized endowment and Annual Fund contributions to a structured accumulation towards an important and enduring result.

This document has presented an open, transparent portrayal of Christ Church: of what it stands for, how it is funded and what is needed to preserve its special standing in Oxford. The House cannot deliver the highest possible standards without external support, particularly from its Old Members, many of whom have been so loyal in the past.

“It is in the belief that this loyalty must be reciprocated by resourcefulness, enterprise and gratitude that we have so seriously set about the task of creating a framework for financial self-sufficiency that will preserve our core values and educational identity in perpetuity.”
### Appendix 1 - Income and expenditure analysis

#### Table 1 for Figures 1, 2 & 3

<table>
<thead>
<tr>
<th>Income and expenditure forecasts</th>
<th>Budget 07/08</th>
<th>Budget 08/09</th>
<th>Budget 09/10</th>
<th>Plan 10/11</th>
<th>Plan 11/12</th>
<th>Plan 12/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income sources (excluding fundraising)</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Academic fees and tuition</td>
<td>2,324</td>
<td>2,459</td>
<td>2,492</td>
<td>2,591</td>
<td>2,693</td>
<td>2,799</td>
</tr>
<tr>
<td>Endowment return &amp; interest receivable (net)</td>
<td>5,069</td>
<td>6,200</td>
<td>6,215</td>
<td>6,140</td>
<td>6,133</td>
<td>6,129</td>
</tr>
<tr>
<td>Conference &amp; tourism income (net)</td>
<td>1,833</td>
<td>1,649</td>
<td>1,855</td>
<td>1,977</td>
<td>2,038</td>
<td>2,099</td>
</tr>
<tr>
<td>Other operating income (excluding fundraising)</td>
<td>2,006</td>
<td>2,167</td>
<td>2,208</td>
<td>2,286</td>
<td>2,354</td>
<td>2,424</td>
</tr>
<tr>
<td><strong>Total income (excluding fundraising)</strong></td>
<td><strong>11,232</strong></td>
<td><strong>12,475</strong></td>
<td><strong>12,770</strong></td>
<td><strong>12,994</strong></td>
<td><strong>13,218</strong></td>
<td><strong>13,451</strong></td>
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</table>

<table>
<thead>
<tr>
<th>Operating expenditure (net of restricted endowment income)</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Academic</td>
<td>3,040</td>
<td>3,270</td>
<td>3,434</td>
<td>3,567</td>
<td>3,682</td>
<td>3,811</td>
</tr>
<tr>
<td>Pastoral and accommodation</td>
<td>2,832</td>
<td>2,774</td>
<td>2,869</td>
<td>2,946</td>
<td>3,036</td>
<td>3,107</td>
</tr>
<tr>
<td>Historic buildings and infrastructure</td>
<td>2,095</td>
<td>2,420</td>
<td>4,041</td>
<td>3,335</td>
<td>2,835</td>
<td>2,270</td>
</tr>
<tr>
<td>Cathedral and School</td>
<td>736</td>
<td>693</td>
<td>678</td>
<td>652</td>
<td>681</td>
<td>751</td>
</tr>
<tr>
<td>Administration and non- attributable expenses</td>
<td>3,769</td>
<td>3,493</td>
<td>3,320</td>
<td>3,336</td>
<td>3,439</td>
<td>3,624</td>
</tr>
<tr>
<td><strong>Total operating expenditure</strong></td>
<td><strong>11,492</strong></td>
<td><strong>12,650</strong></td>
<td><strong>14,343</strong></td>
<td><strong>13,836</strong></td>
<td><strong>13,672</strong></td>
<td><strong>13,563</strong></td>
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</table>

<table>
<thead>
<tr>
<th>Net surplus/deficit for capital programme</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>LESS...</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Blue Boat</td>
<td>6,512</td>
<td>2,375</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Library restoration</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other projects</td>
<td>500</td>
<td>2,500</td>
<td>2,000</td>
<td>2,000</td>
<td>2,000</td>
<td>2,000</td>
</tr>
<tr>
<td><strong>TOTAL CAPITAL EXPENDITURE</strong></td>
<td><strong>7,012</strong></td>
<td><strong>5,875</strong></td>
<td><strong>2,500</strong></td>
<td><strong>2,000</strong></td>
<td><strong>2,000</strong></td>
<td><strong>2,000</strong></td>
</tr>
<tr>
<td>PLUS...</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Known fundraising contribution*</td>
<td>6,084</td>
<td>4,911</td>
<td>581</td>
<td>387</td>
<td>205</td>
<td>159</td>
</tr>
<tr>
<td>Moritz Heyman donation</td>
<td>600</td>
<td>800</td>
<td>800</td>
<td>800</td>
<td>800</td>
<td>800</td>
</tr>
<tr>
<td><strong>FUNDING GAP</strong></td>
<td><strong>-1,188</strong></td>
<td><strong>-539</strong></td>
<td><strong>-2,692</strong></td>
<td><strong>-1,655</strong></td>
<td><strong>-1,449</strong></td>
<td><strong>-1,153</strong></td>
</tr>
<tr>
<td><strong>CUMULATIVE FUNDING GAP</strong></td>
<td><strong>-7,588</strong></td>
<td><strong>-8,127</strong></td>
<td><strong>-10,819</strong></td>
<td><strong>-12,474</strong></td>
<td><strong>-13,923</strong></td>
<td><strong>-15,076</strong></td>
</tr>
</tbody>
</table>

*Known Fundraising Contribution refers to either cash received or confirmed pledges from the capital fundraising programme (previously Campaign for Christ Church) and the Annual Fund, over the time period. The contribution from endowment gifts, including the Moritz/Heyman donation is included at 3.25% of the total sum donated (see Appendix 2).
Appendix 1: Income and expenditure analysis

Table 2 for Figure 4

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Income (including fundraising)</td>
<td>11,232</td>
<td>12,475</td>
<td>12,770</td>
<td>12,994</td>
<td>13,218</td>
<td>13,451</td>
<td>12,690</td>
</tr>
<tr>
<td>Known fundraising contribution*</td>
<td>6,084</td>
<td>5,511</td>
<td>1,381</td>
<td>1,187</td>
<td>1,005</td>
<td>959</td>
<td>2,688</td>
</tr>
<tr>
<td>Total Income</td>
<td>17,316</td>
<td>17,986</td>
<td>14,151</td>
<td>14,181</td>
<td>14,223</td>
<td>14,410</td>
<td>15,378</td>
</tr>
<tr>
<td>Total operating expenditure</td>
<td>11,492</td>
<td>12,650</td>
<td>14,343</td>
<td>13,836</td>
<td>13,672</td>
<td>13,563</td>
<td>13,259</td>
</tr>
<tr>
<td>Total Capital Expenditure</td>
<td>7,012</td>
<td>5,875</td>
<td>2,500</td>
<td>2,000</td>
<td>2,000</td>
<td>2,000</td>
<td>3,565</td>
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<tr>
<td>Total Expenditure</td>
<td>18,504</td>
<td>18,525</td>
<td>16,843</td>
<td>15,836</td>
<td>15,672</td>
<td>15,563</td>
<td>16,824</td>
</tr>
<tr>
<td>Funding gap</td>
<td>-1,188</td>
<td>-339</td>
<td>-2,692</td>
<td>-1,655</td>
<td>-1,449</td>
<td>-1,153</td>
<td>-1,446</td>
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<tr>
<td>Cumulative Funding gap</td>
<td>-1,188</td>
<td>-1,727</td>
<td>-4,419</td>
<td>-6,074</td>
<td>-7,523</td>
<td>-8,676</td>
<td></td>
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</tbody>
</table>

*Known Fundraising Contribution refers to either cash received or confirmed pledges from the capital fundraising programme (previously Campaign for Christ Church) and the Annual Fund, over the time period. The contribution from endowment gifts, including the Moritz/Heyman donation is included at 3.25% of the total sum donated (see Appendix 2).

Table 3 for Figure 5

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>Capital fundraising target</td>
<td>3,500</td>
<td>3,750</td>
<td>4,000</td>
<td>4,250</td>
<td>4,500</td>
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<tr>
<td>Annual Fund target for year</td>
<td>300</td>
<td>350</td>
<td>400</td>
<td>450</td>
<td>500</td>
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<tr>
<td>Total fundraising target for year</td>
<td>3,800</td>
<td>4,100</td>
<td>4,400</td>
<td>4,700</td>
<td>5,000</td>
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Table 4 for Figure 6

<table>
<thead>
<tr>
<th>Incremental endowment from fundraising</th>
<th>2008/09</th>
<th>2009/10</th>
<th>2010/11</th>
<th>2011/12</th>
<th>2012/13</th>
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<tbody>
<tr>
<td>Capital fundraising target for year</td>
<td>3,500</td>
<td>3,750</td>
<td>4,000</td>
<td>4,250</td>
<td>4,500</td>
</tr>
<tr>
<td>Less contribution to capital programme</td>
<td>1,440</td>
<td>1,440</td>
<td>1,440</td>
<td>1,440</td>
<td>1,440</td>
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<tr>
<td>Leaves increase in endowment</td>
<td>2,060</td>
<td>2,310</td>
<td>2,560</td>
<td>2,810</td>
<td>3,060</td>
</tr>
<tr>
<td>Resulting in cumulative incremental endowment</td>
<td>2,060</td>
<td>4,370</td>
<td>6,930</td>
<td>9,740</td>
<td>12,800</td>
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</table>

Table 5 for Figures 7 & 8

<table>
<thead>
<tr>
<th>Incremental endowment contribution to funding gap</th>
<th>2008/09</th>
<th>2009/10</th>
<th>2010/11</th>
<th>2011/12</th>
<th>2012/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual contribution from incremental endowment*</td>
<td>67</td>
<td>142</td>
<td>225</td>
<td>317</td>
<td>416</td>
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</table>

*Calculated at 3.25% (see Appendix 2)

Table 6 for Figures 7 & 8

<table>
<thead>
<tr>
<th>Annual Fund contribution to funding gap (£000)</th>
<th>Plan/Plan</th>
<th>Plan</th>
<th>Plan</th>
<th>Plan</th>
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<tbody>
<tr>
<td>2008/09</td>
<td>300</td>
<td>350</td>
<td>400</td>
<td>450</td>
</tr>
<tr>
<td>2009/10</td>
<td>300</td>
<td>350</td>
<td>400</td>
<td>450</td>
</tr>
<tr>
<td>2010/11</td>
<td>300</td>
<td>350</td>
<td>400</td>
<td>450</td>
</tr>
<tr>
<td>2011/12</td>
<td>300</td>
<td>350</td>
<td>400</td>
<td>450</td>
</tr>
<tr>
<td>2012/13</td>
<td>300</td>
<td>350</td>
<td>400</td>
<td>450</td>
</tr>
<tr>
<td>Annual contribution to funding gap from Annual Fund</td>
<td>225</td>
<td>263</td>
<td>300</td>
<td>338</td>
</tr>
</tbody>
</table>
Appendix 2 · Managing the Endowment and Oxford Investment Partners

Christ Church endowment

**MANAGEMENT**
The Christ Church endowment is managed by the Treasurer who is advised by the Investment Group comprising a small number of qualified Old Members and members of Governing Body. The group meets twice a year to interview fund managers employed by the House and to monitor asset allocation policy.

**Size and distribution**
As at 31 July 2008, the Christ Church endowment was worth £254m. The distribution was approximately as follows:

- Long only equities – 30%
- Diversified investments – 30% (principally managed by OXIP)
- Direct property investments – 30%
- Cash deposits – 10%

These weightings will alter significantly once the Moritz/Heyman gift is invested along with Christ Church funds in Oxford University Endowment Management’s diversified fund (a condition of the Moritz/Heyman donation was that Christ Church should match the gift with an investment in OUEM at a ratio of 3:1).

The House’s investments with OXIP and OUEM are designed to improve returns whilst reducing volatility.

‘The Take’
The House has adopted a ‘total return’ investment approach whereby no distinction is made between income and capital growth. The investment aim is to maintain or increase the purchasing power of the endowment after an annual ‘take’ to support the income of the House. This is fixed at 3.25% of the five year historic average value of the fund (after the costs of managing the endowment have been deducted) which is the expected return in excess of the House’s forecast rate of inflation.

**Performance**
Comparable figures for Christ Church are only available since 2002/03.

As the graph set out below illustrates, that return (adjusted for capital donations and the take) has been exceeded in every year since 2002/03.

Christ Church Endowment performance 2003-2008

**Outlook**
Performance in the year to 31 July 2008 was a gain of 0.4% compared to a 13.3% loss in the FTSE Index over the same period. This reflected a well diversified investment approach and a significant reduction in exposure to equity markets during the year. This relatively limited downside volatility has been further evident in the first half of FY 08/09 with an estimated loss of less than 10% to 1 January 2009.

Whilst investment conditions are likely to remain challenging, in the medium term it is hoped that this policy, which the investment in OUEM will re-emphasise, will provide returns sufficiently in excess of inflation for the annual level of take to be maintained.

Interested Old Members who would like to contact the Treasurer for further discussion on management of the endowment should do so through the Development Office (contact details on p. 26).
Appendix 2 · Managing the Endowment and Oxford Investment Partners

Oxford Investment Partners

A two year interim report from Karl Sternberg (PPE 1989 and CEO).

With £60 million invested and a 19% ownership stake, Christ Church has an important interest in the success of OXIP. Oxford Investment Partners (OXIP) was a Christ Church initiative launched in May 2006 as an investment office for colleges seeking to emulate the best practice of North American educational endowments such as Yale's by improving the returns on endowment and, at the same time, reducing volatility.

Limited resources necessitated some innovative thinking about how to address the difficult challenges of search, implementation and continuous monitoring which face the manager of a genuinely diversified portfolio. The result is a unique collaborative venture between five colleges (St Catherine's, Christ Church, Balliol, New College and St John's), professional management and the investment consultant Watson Wyatt.

OXIP's investment objective is to deliver at least 5% in excess of inflation over rolling five year periods, with around half the volatility of equities.

OXIP is now over two years old, so the record is still short. In the twelve months to June 2007 asset prices continued to accelerate rapidly. The equity market was up 17.8%. We were sceptical, and positioned our fund accordingly. Our return was nonetheless a reasonable 17.9%.

The pay-off for that caution came the following year. In the twelve months to June 2008 equities returned -13% and the OXIP fund returned +0.8%. Protecting capital in a downturn is a key component of superior long-run returns.

Over the two year period OXIP produced +12.8% against +4.0% for the equity index. That puts us in the top quintile of US endowments. Since then, the asset price falls which began in late 2007 have accelerated. In the 7 months since the end of June, equity markets fell by over 30%. OXIP further widened the gap with equity markets, by returning -18.5% over the same period. That was about three per cent worse than we would have hoped in such a period. It is now important that when markets turn (as they will) OXIP is able to capture sufficient of the upside to meet our inflation plus 5% objective over rolling five year periods. So far, our key principles of diversification and seeking the most talented managers have served us well despite extremely testing conditions.

OXIP was created primarily to manage endowment for the colleges, but a further objective is to offer our product to other like-minded long-term investors such as charities, wealthy individuals and pension funds. Despite the relatively brief investment record, the business has made steady progress. OXIP now manages over £200 million, up from £90 million two years ago. £60 million comes from non-college charities and private investors. Watson Wyatt will be introducing OXIP to selected pension fund clients from the autumn of 2008. We are confident that the foundations we have laid will bring an increasing number of new clients over the next year.

If you would like to know more about OXIP, you can find details of our funds and performance at www.oxip.co.uk.
Appendix 3: Old Member organisation and committees

Alumni Relations

**Christ Church and its Old Members**

Christ Church values a close and continuing relationship with its Old Members, independently of their financial support.

The Development and Steward’s Office together help with arrangements for visits, exercise of dining rights, accommodation, reuniting with tutors and contemporaries and, of course, gaudies. Periodic sporting club or matriculation year reunions are encouraged and reciprocal news from Old Members and the college are regularly shared through Christ Church Matters, the Annual report and e-Matters.

Shortly the introduction of our own on-line community network, ‘House Proud’, will add another dimension to keeping the connection between Old Members, their contemporaries and the House strong and continuing.

**The CCA**

The CCA is a voluntary body responsible for supporting and keeping in touch with Old Members of Christ Church. A committee, assisted by a group of year representatives, is responsible for the annual dinner in September, numerous other events and gatherings and a large section of Christ Church Matters.

Development

**The Development Board**

Born out of the original Campaign Board, this smaller group of Old Members are active in assisting with fundraising projects, strategy and developing contacts. Meeting three times a year as a complete body, its members form the catalyst for creating giving circles, making introductions and promoting ideas and information with the Development Office and Development Committee.

**The Development Committee**

This is an internal committee that monitors the progress of the Development Office, as well as generating ideas and considering strategic policy for approval by Governing Body. It has representation from the Dean and Censors, Treasury, Development Office, Governing Body and a number of Old Members.

**American Friends of Christ Church**

The American Friends preceded the Christ Church Development Office by a number of years. Under the leadership of Peter Paine, it has organised both Old Member events and charitable giving on behalf of the House in North America. Contact and giving details can be found in Appendix 4 on page 28.

**The Board of Benefactors**

(See also Appendix 5)

Recognition of gifts, whatever the size, is an important part of a continuous funding programme. Donations of any amount are greatly appreciated and together contribute towards the achievement of the long term goal of financial stability through self funding.

For donations over £20,000, however, special recognition is offered through the Board of Benefactors that brings about the start of a participatory role with development issues, rather than just a ‘moment in time’ appreciation of support. The aim is not only to offer benefits to those who qualify but also to inform, discuss and consult with those who have made a substantial contribution to their college.

Please let the Development Director know if you would be happy to participate in any of the above organisations.

**Contact:**

Development and Alumni Office

Christ Church

Oxford

OX1 1DP

United Kingdom

Tel: +44 (0)1865-286325

Fax: +44 (0)1865-286587

Email: development.office@chch.ox.ac.uk

Web: www.chch.ox.ac.uk
Appendix 4 - Giving to Christ Church

Tax benefit on charitable giving

**Gift aid on regular and single gifts**

Christ Church is an exempt charity (Inland Revenue No X6508).

If you pay UK income tax, it is possible to increase the value of your donation and reduce your income tax liability at the same time.

Completion of a Gift form by a UK taxpayer allows the House to reclaim a sum equal to the basic rate of income tax. (Higher rate taxpayers can also reclaim the difference between the basic (20%) and higher (40%) rate bands.)

**Tax benefits from 2008-2011**

While the basic rate of tax has changed from 22% to 20% in April 2008, Gift Aid will continue to be paid to charities at a transitional rate of 22% for three years. Thereafter it will decrease to 20%.

For the time being, the change in the rate of tax benefits the higher rate taxpayer, whilst leaving the House’s position unaltered.

For example, to make a gross gift of £10,000 to the House, it only requires a donation of £7,800 before Gift Aid. This will have a net cost to the higher rate taxpayer of £5,850 (less than was previously the case at £6,000).

**Tax benefits after 2011**

After 2011, the total tax claim for the House and donor remains the same at 60%. It requires a higher donation from the donor, but results in a compensating higher tax relief.

A gross gift of £10,000 after 2011 will cost the donor £8,000 before Gift Aid with a net cost of £6,000 after higher rate tax relief (the same net cost as before the changes). The net benefit and cost remains neutral for both parties.

**Types of Gift**

**Regular Giving and one off gifts**

A commitment is undertaken to make annual, quarterly or monthly payments for an agreed number of years normally by Standing Order or Direct Debit. This offers the House a predictable flow of income over the medium term as well as spreading the cost of the gift. A cash gift of any value can be made by cheque, credit card or bank transfer. Please ask the Development Office for a gift form (with gift aid declaration) or telephone for further details.

**Make a gift online**

Either single or regular gifts can be made by credit or debit card. You will be taken to a secure link managed by the Charities Aid Foundation (CAF) which administers gifts on behalf of the House. Please enter our website at http://www.chch.ox.ac.uk and navigate to the Supporting the House section, where detailed instructions for making an online donation can be found.

**Payroll Giving**

If your employer operates a payroll giving scheme, any donation to the House is automatically (and anonymously) deducted from your gross salary before you pay tax, so higher rate taxpayers need not remember to reclaim relief through self-assessment.

**Giving Shares**

Giving shares is one of the most attractive methods of maximising the benefit to the College and minimising income and capital gains tax liability to the donor attracting both income and capital gains tax relief. It is strongly recommended, however, to consult your financial adviser, as the benefits will depend on your own personal circumstances and tax situation.

**Company Giving**

The procedures for reclaiming Corporation Tax on gifts to charities by companies have been recently streamlined. The Company or unincorporated association simply pays a gross figure to the House and claims tax relief when calculating Corporation Tax.

**Matching Gifts**

Many Employers now offer a matching giving facility where they will match any charitable donation made, either in part or in full. The best way to find out if a company operates a matched giving scheme is to contact the payroll or human resources department. If a scheme is in place, they will be able to provide the appropriate form with complete details. For reference, the Christ Church exempt charity number is X6508.
Appendix 4 - Giving to Christ Church

Transfer of Assets
A gift of a capital asset such as a work of art, collection or other property can be made without any Capital Gains or Inheritance Tax liability being incurred. In addition, no tax would be payable by the College if the value of that asset was subsequently realised.

Giving from Abroad
USA: Old Members and friends of Christ Church who are tax payers in the United States can make their gifts tax-effective by directing them through the American Friends of Christ Church, Inc.

The Federal EIN number of the American Friends is:  #56-2350129

The Charities Bureau Registration number (for US matched giving) is:  20-53-69

Cheques or vouchers should be made payable to ‘American Friends of Christ Church, Inc’, and should be sent to:
Mr Peter S Paine Jr
President
American Friends of Christ Church, Inc
Champlain National Bank
PO BOX 130
1900 NY State Rt 22
WILLSBORO
NY 12996
USA

This information is also listed on our US gift Forms

Canada: Canadian taxpayers should send their donations to the Development and Alumni Office as normal. The gift will then be passed to the University of Oxford Development Office in order that a receipt that complies with Canadian Tax legislation can be issued. Cheques should be made payable to ‘The University of Oxford Development Trust’. Credit card donations will be processed at the University Development Office.

Germany: If you are a German taxpayer, the German Friends of Oxford University can accept donations for Christ Church. Bank remittances can be sent directly to the Association’s bank account:
Deutsche Bank AG Dusseldorf Branch
Account no: 23 64 040
Sort code: 300 700 10

Full details on all overseas giving can be found on the Christ Church website (www.chch.ox.ac.uk).

Legacies
Legacies are highly tax efficient, particularly where Estate Duty is likely to be incurred. A separate legacy brochure will shortly be available. Find out more about legacy bequests by ringing the Development Office.

Supporting the House
Appendix 5: Christ Church Board of Benefactors

Member of the Board of Benefactors – £20,000

The Board of Benefactors recognises Old Members and friends of Christ Church who have made donations of £20,000+. The Board has a dual purpose in that it is both recognition of a major contribution to our development objectives, and also a vehicle for participation in our future. It is hoped that it will encourage an on-going interest in Christ Church as well as a willingness to offer advice, connections and continuing support.

The recognition elements of the Board include:

- Rotational Invitation to the 101 gaudy with guest;
- Rotational invitation to Deanery dinners and symposia with members of Governing Body;
- Invitation to lectures, exhibitions, Cathedral services and other events held at the House;
- Benefactors’ names will be recorded on a commemorative board.
- Benefactors will receive Board of Benefactors certificate signed by the Dean.

The participation and ownership elements of Board membership include:

- Invitation to an annual meeting to discuss development strategy (with reception and dinner);
- Regular progress reports from the Dean, Censors and Treasurer through the Development Office.

Benefactors to offer access to Development Director for advice, assistance and contacts.

Benefactions of £15,600 before gift aid (£325 per month) may typically be made over a period of four years. After higher rate tax relief this amounts to a net cost of £3,000 per annum (£250 per month) over the period.

We would like to gratefully acknowledge the following contributions to this publication:

- Jim Godrey for illustrations
- Nick Darke and Cheryl Gorga for graphic charts
- Baseline Arts for design and production