

Balliol College

Annual Report and Financial Statements

Year ended 31 July 2011

Registered Charity No. 1144032

Balliol College
Annual Report and Financial Statements
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Balliol College

Governing Body, Officers and Advisers

Year ended 31 July 2011

MEMBERS OF THE GOVERNING BODY

The Members of the Governing Body are the College's trustees under charity law. The members of the Governing Body who served in office as Governors during the year or subsequently are detailed below. The activities of the Governing Body are carried out through three committees and the membership of these committees during last year for each Fellow is also shown below. Most other committees in the College are sub-committees of either the Academic Committee or Executive Committee.

- (1) Tutorial Board
- (2) Academic Committee
- (3) Executive Committee

		(1)	(2)	(3)
Mr AWM Graham	Master – Retired 01/10/2011	•	•	•
Sir Drummond Bone	Master – Appointed 01/10/2011			
Dr LJ Abrams		•		
Dr W Barford		•		•
Prof JM Brown				
Prof CP Buckley		•		
Mr RH Collier				•
Dr J Conlon				
Dr MH Conway		•		
Dr TM Douglas				
Revd HD Dupree				•
Prof WH Dutton				
Prof TAO Endicott				
Dr D Erdos				
Dr RW Field		•		•
Dr JA Forder		•	•	
Prof B Foster				
Dr A Gardner				
Dr I Goldin				
Prof L Green				
Prof FC Hamby				
Dr KC Hannabuss		•	•	
Dr SK Hazareesingh		•		
Prof AJ Hurrell			•	
Dr AD Kelly		•		•

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	(1)	(2)	(3)
Dr J King	•		•
Prof FC Kirwan	•	•	
Dr GI Lamond	•	•	
Ms J Longworth			
Dr DM Lucas	•		
Prof A Lukas	•	•	
Dr O Magidor	•		
Dr S Marnette	•	•	
Prof TF Melham	•		•
Prof CZ Minkowski		•	
Dr JD Moss	•		
Prof TH Noe	•		•
Dr PCG Nye	•		
Dr DC O'Brien	•		
Prof DM O'Hare	•	•	
Dr TGD Ord			
Dr S Paoli			
Dr SP Perry	•		•
Dr AJH Reichold	•		•
Prof LA Roper	•	•	
Dr AVC Schmidt	•		
Dr SM Shimeld	•		
Dr SA Skinner	•		•
Dr ARG Swift	•		
Dr R Thomas	•		
Dr SE Thomas			
Prof LN Trefethen			
Dr NZ Trott	•	•	•
Prof DA Vines	•		
Dr DMW Wallace	•	•	
Prof V Wallace			
Mr TH Wilson			
Ms LE Zanna			•

Balliol College
Governing Body, Officers and Advisers
Year ended 31 July 2011

COLLEGE SENIOR STAFF

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

Dr NZ Trott	<i>Academic Registrar and Senior Tutor</i>
Mr RH Collier	<i>Finance Bursar</i>
Ms J Roadknight	<i>Domestic Bursar</i>

COLLEGE ADVISERS

Investment managers

Oxford Investment Partners, Christ Church, Oxford, OX1 1DP

Partners Capital LLP, 5th Floor, 5 Young Street, London, W8 5EH

RCM (UK) Ltd, 155 Bishopsgate, London, EC2M 3AD

Schroder & Co Ltd, 100 Wood Street, London, EC2V 7ER

Morgan Stanley & Co, 25 Cabot Square, Canary Wharf, London, E14 4QA

Cordea Savills LLP, Lansdowne House, 57 Berkeley Square, London, W1J 6ER

Deutsche Private Wealth Management, Winchester House, 1 Great Winchester Street, London, EC2N 2DB

Independent Auditor

PricewaterhouseCoopers LLP, Chartered Accountants and Statutory Auditors, 9 Greyfriars Road, Reading, RG1 1JG

Bankers

The Co-operative Bank Plc, 13 New Road, Oxford, OX1 1LG

Solicitors

Withy King LLP, North Bailey House, New Inn Hall Street, Oxford, OX1 2EA

Surveyors

Savills plc, Wytham Court, 11 West Way, Botley, Oxford, OX2 0QL

College address

Balliol College, Broad Street, Oxford, OX1 3BJ

Website

www.balliol.ox.ac.uk

Balliol College
Report of the Governing Body
Year ended 31 July 2011

The Members of the Governing Body present their Annual Report for the year ended 31 July 2011 under the Charities Act 1993 together with the audited consolidated financial statements for the year.

REFERENCE AND ADMINISTRATIVE INFORMATION

The Master and Scholars of Balliol College in the University of Oxford, which is known as Balliol College, ("the College") are a charitable body corporate having that name. The College was founded in the 13th century and is registered with the Charities Commission (registered number 1144032).

Changes in the Charities Act 2006 meant that the colleges of the University of Oxford were no longer exempt charities (effective 1 June 2010) and had to register with the Charities Commission. Balliol College registered from 28 September 2011.

The names of all Members of the Governing Body at the date of this report and of those in office during the year, together with details of the senior staff and advisers of the College, are given on pages 2 to 4.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

The College is governed by its Statutes originally granted in 1282, and subsequently approved by the foundation deed of 1284. In their most recent version they stand as approved by Her Majesty in Council, 9 April 2008, in accordance with the 1923 Oxford and Cambridge Act.

Governing Body

The Governing Body is constituted and regulated in accordance with the College Statutes, which are as made from time to time by order of Her Majesty in Council in accordance with the Universities of Oxford and Cambridge Act 1923. The Governing Body holds to itself the responsibilities for the ongoing strategic direction of the College, for its administration and for the management of its finances and assets. It meets regularly under the chairmanship of the Master and is advised by a range of committees. The College enjoys the unique privilege of electing its own Visitor, a post currently occupied by the Right Honourable Lord Reed, PC.

Recruitment and training of Members of the Governing Body

New Members of the Governing Body are recruited as Fellows (Trustees), and are inducted into the workings of the College according to the nature of their Fellowship and by attending Governing Body meetings.

The Governing Body understands the importance of being kept informed on current issues in the sector and on regulatory requirements; however, it has not yet established a formal procedure for Trustee training.

Organisational management

The members of the Governing Body meet nine times a year. The work of developing their policies and monitoring the implementation of these is carried out by three Committees:

- Tutorial Board is held nine times a year and all Tutorial Fellows are expected to attend. It deals with decisions about academic progress of individual students and has the power to decide many matters of academic policy, but for several years much of this work has been delegated to the Academic Committee.
- Academic Committee concentrates on academic policy and meets weekly during term. It has an approximately equal number of College Officers and non-officers as its membership. Full Academic Committee, which meets approximately once a term, includes student representation.
- Executive Committee deals primarily with the College's budget and its administration and meets weekly during term. It also has an approximately equal number of College Officers and non-officers as its membership and includes student representation.

Most other committees in College are sub-committees of either the Academic Committee or Executive Committee. There are however three important exceptions, and each of them report direct to College Meeting. The Financial Committee, on which two external members sit, deals with Fellows' salaries and academic related salaries. The Chapel and Patronage Committee oversees the College Chapel and the several ecclesiastical livings for which the College retains an historic responsibility. The Nominating Committee makes recommendations to College Meeting on who are to be College Officers and what membership of committees should be.

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Report of the Governing Body
Year ended 31 July 2011

The day-to-day running of the College is overseen by the Master. Academic matters are delegated primarily to Dr N Trott (Academic Registrar and Senior Tutor) and administrative and financial matters to Mr R Collier (Finance Bursar) and Ms J Roadknight (Domestic Bursar).

Group structure and relationships

The College administers many special trusts and has one wholly owned non-charitable subsidiary, Balliol College Developments Ltd, which is a vehicle for the building activities of Balliol College whose annual profits are donated to the College under the Gift Aid Scheme. Balliol College Developments Ltd is currently not trading.

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

Risk management

The College is engaged in risk assessment on an ongoing basis. When it is not able to address risk issues using internal resources, the College takes advice from experts external to the College with specialist knowledge. Policies and procedures within the College are reviewed by the relevant College Committee. Financial risks are assessed by the Executive Committee and investment risks are monitored by the Investment Committee. In addition, the Domestic Bursar and domestic staff heads meet regularly to review health and safety issues. Training courses and other forms of career development are available, when requested, to members of staff to enhance their skills in risk-related areas.

The Governing Body, who have ultimate responsibility for managing any risks faced by the College, have given consideration to the major risks to which the College and its subsidiaries are exposed and have 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.

OBJECTIVES AND ACTIVITIES

Charitable Objects and Aims

The College's Objects are to advance education, religion, learning and research, and to be a College within the University of Oxford.

The Governing Body is mindful of the long-standing requirement to provide public benefit and of the disclosure requirements of the Charities Act 2006. In this connection the Governing Body has monitored closely the general guidance produced by the Charity Commission, in section 4 of the Charities Act 2006, and supplemental guidance produced by the Commission, in particular its public benefit guidance on advancement of education and on fee-charging.

The College's aims for the public benefit are:

To provide for members of the University of Oxford a college wherein they may participate in the educational facilities offered by, and study for degrees in, the University of Oxford.

To do all such other things as are incidental or conducive to advancing education, learning and research in Oxford or elsewhere.

The aims set for the College's subsidiary are to help finance the achievement of the College's aims as above.

Activities and objectives of the College

The College exists to advance education at both undergraduate and graduate levels; to facilitate and to encourage scholarship and research at the very highest levels; to promote excellence in learning; to maintain a chapel and chaplaincy, and to serve as patron to its numerous livings.

Public benefit

The College remains committed to the aim of providing public benefit in accordance with its Objects, and has continued to conduct its affairs during the year to 31 July 2011 in furtherance of these aims.

Education and Learning The College draws on its endowments and other income to provide undergraduate education in a wide range of subjects, within the context of the University of Oxford, to students recruited to the College on the basis of their academic record and promise. Balliol employs Tutors and Lecturers to teach them; administrative and pastoral staff to support them; and offers an array of academic and other educational facilities, including a Library, musical and theatrical spaces, diverse sporting facilities, and multiple environments for recreation, reflection, self-improvement, and debate. To advance the education of its students the College offers a wide range of bursaries and scholarships, many established by endowment, and operates a generous programme of hardship grants, awarded on the basis of financial

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Report of the Governing Body

Year ended 31 July 2011

need by a Student Finance Committee. The oldest constituent college in the University of Oxford, Balliol occupies a beautiful and historic site in the middle of the city with buildings dating from the fifteenth century. The College is normally open daily to the public, with access to the grounds and (as practicable) to the main public spaces. A brief history to the College is available to visitors.

Numerous Balliol events are also open to the public, including services in Chapel, occasional lectures and talks, and, every Sunday evening during term a concert in the College Hall, continuing a tradition of Balliol concerts that began in 1885. Balliol has long sought to make a contribution to the wider educational world. It appoints (normally from among its Fellowship) a representative on the Court of the University of Bristol; Trustees to Blundell's School and to Ludlow College; Trustees to the Keith Rae Trust; Trustees to the Balliol Society (which supports the College's charitable activities); Trustees to the Balliol Educational Trust; and Trustees to the Chalet Trust.

Research The College materially supports the research of its academic staff by a programme of sabbatical leave from tutorial duties, and by making available reasonable funds to support academic pursuits, and to subsidise research and publication (Statutes VIII.5). At its annex in Holywell Manor, the College offers an academically stimulating home to a large and international community of graduate research students, admitted to their courses from a distinguished application by the University of Oxford. Graduate supervision is frequently undertaken by Fellows of the College. Holywell Manor offers a popular space for recreation, intellectual exchange, and debate.

The work of Balliol research students is additionally supported by a generous programme of graduate scholarships, many established by endowment, and the College makes numerous additional financial awards on the basis of need, administered by its Student Finance Committee. The College contributes to the research activity of the University by (for example) hosting the Oxford Internet Institute, and by administering the Numata Fund which supports Buddhist studies in Oxford.

The College has large and distinguished research collections under its curatorship, which it is pleased to make as fully available as possible. Its extensive collections of medieval and modern literary, political, and scientific papers are cared for in its specially constructed Historic Collections Centre at St Cross, Holywell. The Centre also houses the College's extensive Archives, a valuable source for historians of the nation as well as of Balliol and the University of Oxford. The College also cares for numerous paintings, especially portraits of former members; some pieces of silver, also mostly commemorative; and various objets d'art. The College has published several catalogues of its diverse holdings, in print and latterly on-line, and cataloguing continues. Bona fide researchers, including interested members of the public, are welcome to consult material in the College's care by appointment. The College has a liberal policy of lending items to exhibitions upon request.

Numerous scholarly projects have come to fruition with the College's ready collaboration, including (among others) editions of several medieval texts, editions of the poets Browning, Arnold, Clough, and Hopkins, and many other books and articles that demonstrate Balliol's ambitions to facilitate and extend scholarship and learning.

Religion The College maintains a Chaplaincy by Statute (VII.8), the Chaplain normally being a resident Fellow of the College. The Chapel offers services throughout the academic term which are open to the public. The College retains its position as Patron of twenty livings across England, a role which it assumes with proper diligence and care, keeping in close and supportive contact with its parishes, welcoming their representatives periodically to the College, and offering assistance in their activities as requested.

ACHIEVEMENTS AND PERFORMANCE

For the year to 31 July 2011, the College recognised the impending retirement of Andrew Graham after eleven years as Master (and a period as Acting Master) with a number of events, including a concert given in July by Supernumerary Fellow András Schiff. The College also underwent the process of electing a new Master, and announced its choice, of Professor Sir Drummond Bone, on 18 March 2011.

The year was marked by the passing of three of the College's most distinguished members: Lord Bingham, on 11 September 2010, Baruch Samuel Blumberg, on 5 April 2011, and Lord Rodger, on 26 June 2011. The loss in a single year of two College Visitors and a Nobel Laureate and former Master was a great sadness. This year also saw the death, on 28 May 2011, of the College's long-standing senior medical partner, Dr Ann McPherson. Memorial services for all these great and good Balliol people were held either in or with participation from the College.

On 2 December 2010, a sundial to mark 30 years of women undergraduates at Balliol was unveiled. In January 2011, works were completed to restore St Cross Church and create the College's new Historic Collections Centre. (The Centre opened to readers in October 2011.) From 6-8 May, the College put on an event at Ditchley Park for some of its wealthiest alumni to inform them and take their views about its academic, financial and development priorities. The year came to an end with the election, on 28 July 2011, of the Right Honorable Lord (Robert) Reed, PC (1978), to replace Lord Rodger as Visitor. In the course of the year, the College elected to its Fellowship for 2010-11 George Eastman Visiting

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Professor Edward Fisher (Medical Sciences), Winant Visiting Professors Joe White and Alan Wolfe (both in American government), and Oliver Smithies Visiting Fellows Andrew Lister (Politics) and Adrian Travis (Engineering). Further elections were made to three-year Junior Research Fellowships of Tom Douglas (Philosophy) and Andy Gardner (Zoology), and to an Official Fellowship of the Development Director, Judy Longworth. In addition, the College hosted MIT Visitor Professor Charles Cooney (Chemical Engineering), Snell Visitor Robert Cummings (English Literature), and Oliver Smithies Lecturers Bernt Fornberg (Mathematics) and Hans Medick (History).

Select honours and distinctions to Balliol Old Members: In October 2010, Professor Peter Diamond, MIT and Balliol Visiting Fellow 1973, won the 2010 Nobel Prize in Economic Sciences; in May 2011 Professor Hagen Bayley (1970), Professor Alan Grafen (JRF 1983-1983), and Professor Clare P Grey (JRF 1990-1991) were elected Fellows of the Royal Society; in July 2011 Professor Timothy Barnes FRSC (1960), Professor Robert Crawford (1981), and Professor Simon Frith (1964) were elected Fellows of the British Academy. Professor Sir Adam Roberts, Emeritus Fellow of Balliol and President of the British Academy, was elected an overseas member of the American Academy of Arts and Sciences. Emeritus Fellow Professor Bill Morton (Fellow of Balliol 1984-8) was awarded the London Mathematical Society's De Morgan Medal. In June 2010, Ronald Harwood, CBE, formerly Artist in Residence, was knighted for services to Drama, and Professor David MacDonald, Professor of Wildlife Conservation in the Department of Zoology and former Balliol JRF, was awarded a CBE for services to Natural Sciences.

Select honours and distinctions to current Balliol Fellows and tutors: Two Balliol Fellows - Professor Andrew Hurrell, Montague Burton Professor of International Relations, and Professor Lynda Roper, whose election as Regius Professor of History at Oxford was announced on 24 March 2011 - were elected Fellows of the British Academy. Professor Nick Trefethen was awarded the biennial IMA Gold Medal by the Institute of Mathematics and Its Applications. Mr Martin Burton, Balliol Clinical Lecturer, became the first practicing clinician to be appointed in the role of Director of the UK Cochrane Centre. Titular Professorships in the University's Recognition of Distinction exercise were awarded to several Fellows, Ian Goldin, Dominic O'Brien, Rosalind Thomas, and Timothy Wilson, and also to Clinical Lecturer Robin Choudhury.

Select achievements of Balliol student members: Lucy King (DPhil Zoology) awarded the UNEP/CMS Thesis Award on Migratory Species Conservation 2011; Doireann Lalor (DPhil Modern Languages) granted one of only seven Vice-Chancellor's Civic Awards for 2011; Jonathon Penney (D.Phil Law) awarded the Peter Oliver Prize in Canadian Legal History 2011; Victor Prisacariu (DPhil Engineering) winner of an international competition run by the company Freescale; Ravi Shanmugam (PPE) awarded a Mindsports Blue as one of Oxford's eight-member winning team in the 129th annual Varsity Chess Match; Balliol's Women's First Eight stay Head of the River for a second year; Anna Lewis (DPhil Systems Biology) suspended her doctorate to row the Atlantic, reaching Barbados on 15 March 2011.

FINANCIAL REVIEW

Following the College's registration with the Charity Commission in the year, Balliol has adopted the Charities SORP format of accounting and hence, the prior year numbers have been restated in accordance with the Charities SORP. No changes have been made to the actual numbers, but just changes to the way they are presented/disclosed.

For the year ended 31 July 2011, the College reported its sixth successive surplus after a number of years of deficits. This was due to continuing successes of fundraising, the increase in conference and functions business and the constant management of cost-savings and economy measures.

The College continues to carry-out forward looking financial exercises in order to improve its ability to identify and budget for its key cost items in future years. Whilst this gives some confidence that positive financial outcomes can be maintained in the very near term, it also underlines the financial burdens that colleges like Balliol will face in the future. Maintaining Balliol's academic excellence and the tutorial system – with all its advantages – will remain costly. Allowing more of the endowment to be used for academic purposes and the provision of scholarship and bursaries remains a commitment. A number of costs which the College cannot control, such as energy, food and utility bills are growing at rates in excess of our growth in income. The continuing expenses of maintaining all of Balliol's buildings represent an ongoing draw that we must manage for the near and long term future. Most critically, the likelihood of significant reductions in Government financial support to UK universities requires the College to be very cautious about the future and to anticipate ever greater financial pressures.

Reserves policy

The College'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 and to allow the College to be managed efficiently and to provide a buffer that would ensure uninterrupted services.

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Year ended 31 July 2011

Investment policy, objectives and performance

The Investment Committee continues to review the strategy that the College put in place: generation of capital growth, risk reduction, diversification and the building of returns which reflect Balliol's financial requirements, and have seen a number of reasons to continue our existing strategies in 2011.

To meet these objectives the College's investments 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. Under the total return accounting basis, it is the Governing Body's policy to extract as income 4% of the value of the endowment. However to smooth and moderate the amounts withdrawn this 4% is calculated on the weighted and indexed average of the endowment over a four year period using the value as at the 31 March each year.

The College's invested assets generated a total gross return during the year to 31 July 2011 of 8.5% (2010: 10.5%). The greater part of the endowment is invested in well-diversified holdings in the capital markets; 54% is held with the Oxford Investment Partners which was created in 2006 as an investment office for a group of Oxford colleges seeking to achieve optimal risk-adjusted absolute returns from a diversified portfolio of assets, in addition 14.5% continues to be held in equity tracking funds with RCM and Morgan Stanley, 13% in a multi-asset class portfolio with Partners Capital, 6.7% invested in bond funds with Schroders, 6.1% in UK property by means of units in the Charities Property Fund, 3.7% in commodities with Deutsche Private Wealth and the remaining 2% is held in a range of smaller investments and cash.

Going forward, the Investments Committee will continue to monitor and review the portfolios, and will effect adjustments to it which best protect the College's financial position.

FUTURE PLANS

The core elements of the College's future plans are as follows;

- To continue its principal activity to provide, promote and engage in education, learning and research.
- To continue those activities which support the public benefit Objects.
- To improve the quality of all its provisions made by the College to its students, Fellows and others.
- To conduct development activities in order to secure the long-term future of the College.

STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and the group and of the incoming resources and the application of resources of the group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 1993, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Governing Body on 5th December 2011 and signed on its behalf by:

Master

Balliol College

Independent Auditors' Report to the Members of the Governing Body of Balliol College

We have audited the financial statements of Balliol College for the year ended 31 July 2011 which comprise the Statement of Accounting Policies, the Consolidated Statement of Financial Activities, the Consolidated and College Balance Sheets, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of Governing Body and auditor

As explained more fully in the Statement of Accounting and Reporting Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the charity's trustees as a body in accordance with Regulation 30 of The Charities (Accounts and Reports) Regulations 2008 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and parent charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and nonfinancial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charity's affairs as at 31 July 2011, and of the group's incoming resources and application of resources and group's cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 1993.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 1993 requires us to report to you if, in our opinion:

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

PricewaterhouseCoopersLLP
Chartered Accountants and Statutory Auditors

Reading
Date: 7th December 2011

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

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Statement of Accounting Policies

Year ended 31 July 2011

1. Scope of the financial statements

The financial statements present the Consolidated Statement of Financial Activities (SOFA), the Consolidated and College Balance Sheets and the Consolidated Cash Flow Statement comprising the consolidation of the College and with its wholly owned subsidiary Balliol Developments Ltd. For the past few years the subsidiary has not traded so all the activity in the SOFA relates just to College.

2. Basis of accounting

Following the College's registration with the Charity Commission in the year, Balliol has adopted the Charities SORP format of accounting and hence, the prior year numbers have been restated in accordance with the Charities SORP. No changes have been made to the actual numbers, but just changes to the way they are presented/disclosed.

The financial statements have been prepared under the Charities Act 1993, as amended by the Charities Act 2006 and in accordance with the Statement of Recommended Practice on Accounting and Reporting by Charities issued in 2005 ("the Charities SORP"), as revised in May 2008, and applicable accounting standards in the United Kingdom. The financial statements are drawn up on the historical cost basis of accounting as modified by the revaluation of other investments.

3. Basis of consolidation

The consolidated statement of financial activities, the consolidated balance sheet and the consolidated cash flow statement include the financial statements of the College and its subsidiary made up to 31 July 2011, using the equity method of accounting and uniform accounting policies. Intra group transactions are eliminated fully on consolidation.

4. Investment in subsidiary undertakings

Investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

5. Incoming resources from fee income, HEFCE support and other charges for services

Fees receivable, HEFCE support and charges for services and use of the premises, less any scholarships, bursaries or other allowances granted by the College, but including contributions received from restricted funds, are accounted for in the period in which the related service is provided.

6. Incoming resources from donations and legacies

Voluntary income is accounted for when the College has entitlement to the funds, the amount can be reliably quantified and there is reasonable certainty of its ultimate receipt.

Voluntary income received for the general purpose of the College is credited to unrestricted funds.

Voluntary income which is subject to specific wishes of the donor is 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 otherwise than in cash, they are valued at the market value of the underlying assets received at the date of receipt.

7. Investment income

Interest on bank balances and fixed interest securities is accounted for in the period to which the interest relates.

Dividend income and similar distributions are accounted for in the period in which they become receivable.

8. Expenditure

Expenditure is accounted for on an accruals basis. Indirect expenditure is apportioned to expenditure categories 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.

Grants awarded are expensed as soon as they become legal or operational commitments.

Governance costs comprise the costs of complying with constitutional and statutory requirements.

Intra-group sales and charges between the College and its subsidiary are excluded from trading income and expenditure.

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Statement of Accounting Policies

Year ended 31 July 2011

9. Tangible fixed assets

Major expenditure on the acquisition, construction or enhancement of land and buildings and expenditure on equipment costing more than £10,000 is capitalised and carried in the balance sheet at historical cost. The cost of tangible fixed assets is their purchase cost together with any incidental expenses of acquisition.

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

10. 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
Building improvements	10 - 30 years

Freehold land is not depreciated. The costs of maintenance is charged in the Statement of Financial Activities in the period in which it is incurred.

11. Investments

Listed investments are valued at their mid-market values as at the balance sheet date. Investments such as hedge funds and private equity funds which have no readily identifiable market value are included at the most recent valuations from their respective managers.

Gains and losses arising on the investments are credited or charged to the Statement of Financial Activities and are allocated to the appropriate Fund according to the "ownership" of the underlying assets.

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

Transactions denominated in foreign currencies during the year are translated at prevailing rates of exchange at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates applying at the Balance Sheet date or, where there are related forward foreign exchange contracts, at the contract rates. The resulting exchange differences are taken to the Statement of Financial Activities.

14. Total Return investment accounting

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

15. Fund accounting

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

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

Restricted funds comprise gifts, legacies and grants where the donors have earmarked funds for specific purposes. 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 that the capital be maintained and the income used for specific purposes.

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

Balliol College

Statement of Accounting Policies

Year ended 31 July 2011

capital. Any income arising from the capital will be accounted for as unrestricted funds unless the donor has placed restricted the use of that income, in which case it will be accounted for as a restricted fund.

16. Pension costs

The costs of retirement benefits provided to employees of the College through two multi-employer defined benefit pension schemes are accounted for as if these were defined contribution schemes in accordance with the requirements of FRS 17. The College's contributions to these schemes are charged in the period in which the salaries to which the contributions relate are payable.

Balliol College
Consolidated Statement of Financial Activities
For the year ended 31 July 2011

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2011 Total £'000	2010 Total £'000
INCOMING RESOURCES						
Resources from charitable activities	1					
Teaching and research		5,103	0	0	5,103	4,972
		<u>5,103</u>	<u>0</u>	<u>0</u>	<u>5,103</u>	<u>4,972</u>
Resources from generated funds						
Legacies and donations		1,153	366	2,412	3,931	3,557
Trading income	2	1,025	0	0	1,025	494
Investment income	3	103	88	1,232	1,423	1,097
Bank and other interest income	4	9	47	58	114	59
		<u>2,290</u>	<u>501</u>	<u>3,702</u>	<u>6,493</u>	<u>5,207</u>
Other incoming resources		2	17	0	19	11
Total Incoming Resources		<u>7,395</u>	<u>518</u>	<u>3,702</u>	<u>11,615</u>	<u>10,190</u>
RESOURCES EXPENDED						
Cost of generating funds	5					
Fundraising		121	428	0	549	682
Trading expenditure		753	0	0	753	678
		<u>874</u>	<u>428</u>	<u>0</u>	<u>1,302</u>	<u>1,360</u>
Charitable activities	5					
Teaching and research		5,218	2,731	0	7,949	8,576
		<u>5,218</u>	<u>2,731</u>	<u>0</u>	<u>7,949</u>	<u>8,576</u>
Governance costs	8	49	0	0	49	56
Total Resources Expended		<u>6,141</u>	<u>3,159</u>	<u>0</u>	<u>9,300</u>	<u>9,992</u>
Net incoming/(outgoing) resources before transfers		1,254	(2,641)	3,702	2,315	198
Endowment return transfers	17	927	1,788	(2,715)	0	0
Other transfers between funds	17	(1,031)	674	357	0	0
Net incoming/(outgoing) resources before other gains and losses		<u>1,150</u>	<u>(179)</u>	<u>1,344</u>	<u>2,315</u>	<u>198</u>
Investment gains		229	0	4,212	4,441	5,073
Net movement in funds for the year		<u>1,379</u>	<u>(179)</u>	<u>5,556</u>	<u>6,756</u>	<u>5,271</u>
Fund balances brought forward	17	14,803	4,476	58,031	77,310	72,039
Funds carried forward at 31 July	17	<u>16,182</u>	<u>4,297</u>	<u>63,587</u>	<u>84,066</u>	<u>77,310</u>

There are no other recognised gains and losses in the year. The notes that follow form part of the financial statements.

Balliol College
Consolidated and College Balance Sheets
As at 31 July 2011
Registered Charity No. 1144032

	Notes	2011 Group £'000	2010 Group £'000	2011 College £'000	2010 College £'000
FIXED ASSETS					
Tangible assets	10	9,412	9,583	9,412	9,583
Securities and other investments	11	69,294	63,609	69,294	63,609
		78,706	73,192	78,706	73,192
CURRENT ASSETS					
Stocks		48	41	48	41
Debtors	14	1,433	989	1,433	989
Deposits and other short term investments	15	4,167	2,616	4,167	2,616
Cash at bank and in hand		699	1,420	699	1,420
		6,347	5,066	6,347	5,066
CREDITORS: amounts falling due within one year	16	987	948	987	948
NET CURRENT ASSETS		5,360	4,118	5,360	4,118
TOTAL ASSETS		84,066	77,310	84,066	77,310
FUNDS OF THE COLLEGE					
	17				
Endowment funds		63,587	58,031	63,587	58,031
Restricted funds		4,297	4,476	4,297	4,476
Unrestricted funds					
General funds		16,182	14,803	16,182	14,803
TOTAL FUNDS		84,066	77,310	84,066	77,310

The financial statements on pages 11 to 25 were approved and authorised for issue by the Governing Body of Balliol College

on: 5th December 2011

Trustee:

Trustee:

Balliol College
Consolidated Cash Flow Statement
For the year ended 31 July 2011

	Notes	2011 Group £'000	2010 Group £'000
Net cash (outflow) from operations	23	<u>(2,653)</u>	<u>(1,834)</u>
Returns on investments and servicing of finance			
Income from investments		1,537	2,606
		<u>1,537</u>	<u>2,606</u>
Capital expenditure and financial investment			
New endowment capital received		2,412	908
Payments for tangible fixed assets		(162)	(313)
Proceeds from sales of tangible fixed assets		941	0
Payments for investments		(1,386)	(3,260)
Proceeds from sales of investments		141	424
		<u>1,946</u>	<u>(2,241)</u>
Management of liquid resources			
Net (additions to) / withdrawals from term deposits		(1,551)	1,012
		<u>(1,551)</u>	<u>1,012</u>
(Decrease) in cash in the year		<u>(721)</u>	<u>(457)</u>
Reconciliation of net cash flow to movement in net funds			
(Decrease) in cash in the year		(721)	(457)
Transfers to/(from) short term deposits and current investments		1,551	(1,012)
Change in net funds		<u>830</u>	<u>(1,469)</u>
Net funds at 1 August		4,036	5,505
Net funds at 31 July	24	<u>4,866</u>	<u>4,036</u>

Balliol College
Notes to the financial statements
For the year ended 31 July 2011

1 INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2011 Total £'000	2010 Total £'000
Teaching and research					
Tuition fees - UK and EU students	1,921	0	0	1,921	1,962
Tuition fees - Overseas students	443	0	0	443	409
Other academic income	359	0	0	359	360
College residential income	2,380	0	0	2,380	2,241
	5,103	0	0	5,103	4,972

The above analysis includes £2,334k received from Oxford University under the Collegiate Funding Formula, net of College fees received directly (2010 - £2,377k).

2 TRADING INCOME

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2011 Total £'000	2010 Total £'000
Conference and function income	1,025	0	0	1,025	494
	1,025	0	0	1,025	494

3 INVESTMENT INCOME

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2011 Total £'000	2010 Total £'000
Other investment income	103	88	1,232	1,423	1,097
	103	88	1,232	1,423	1,097

4 BANK AND OTHER INTEREST INCOME

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2011 Total £'000	2010 Total £'000
Bank interest	9	47	58	114	59
	9	47	58	114	59

5 ANALYSIS OF RESOURCES EXPENDED

	Direct staff costs £'000	Other direct costs £'000	Support costs £'000	2011 Total £'000	2010 Total £'000
Costs of generating funds					
Fundraising	359	161	29	549	682
Trading expenditure	585	165	3	753	678
Total costs of generating funds	944	326	32	1,302	1,360
Charitable expenditure					
Teaching and research	3,764	4,263	(78)	7,949	8,576
Governance costs	0	49	0	49	56
Total resources expended	4,708	4,638	(46)	9,300	9,992

The College is liable to be assessed for Contribution under the provisions of Statute XV of the University of Oxford. The Contribution Fund is used to make grants and loans to colleges on the basis of need. Contribution is calculated annually in accordance with regulations made by the Council. The teaching and research costs include College Contribution payable of £94k (2010 - £90k).

Balliol College
Notes to the financial statements
For the year ended 31 July 2011

6 SUPPORT COSTS

	Generating Funds £'000	Teaching and Research £'000	2011 Total £'000	2010 Total £'000
Financial and domestic administration	32	393	425	408
Human resources	0	37	37	35
IT	0	100	100	97
Depreciation	0	333	333	225
(Profit) on fixed assets	0	(941)	(941)	0
	<u>32</u>	<u>(78)</u>	<u>(46)</u>	<u>765</u>

Finance and administration, human resources and IT costs are attributed according to the estimated staff time spent on each activity. Depreciation costs are attributed according to the use made of the underlying assets.

7 GRANTS AND AWARDS

	Unrestricted Funds £'000	Restricted Funds £'000	2011 Total £'000	2010 Total £'000
During the year the College funded research awards and bursaries to students from its restricted and unrestricted fund as follows:				
Scholarships, prizes and grants	118	339	457	453
Bursaries and hardship awards	390	151	541	467
	<u>508</u>	<u>490</u>	<u>998</u>	<u>920</u>

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

8 GOVERNANCE COSTS

	2011 £'000	2010 £'000
Governance costs comprise:		
Auditor's remuneration - audit services	31	33
Other governance costs	18	23
	<u>49</u>	<u>56</u>

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

Balliol College
Notes to the financial statements
For the year ended 31 July 2011

9 STAFF COSTS

	2011	2010
	£'000	£'000
The aggregate payroll costs for the year were as follows.		
Salaries and wages	4,320	4,315
Social security costs	297	295
Pension costs	548	554
	5,165	5,164

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

	2011	2010
	Number	Number
Tuition and research	18	17
College residential	84	80
Fundraising	6	6
Support	10	11
Total	118	114

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

University Lecturers	14	15
CUF Lecturers	11	12
Other teaching and research	13	13
Other	2	2
Total	40	42

The College also benefits from temporary staff, agency workers and those part-time external tutors who are not on the College payroll.

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

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

In defined benefits schemes	125	124
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10 TANGIBLE FIXED ASSETS

Group and College	Leasehold land and buildings £'000	Freehold land and buildings £'000	Plant and Machinery £'000	Fixtures, Fittings and Equipment £'000	Total £'000
Cost					
At start of year	0	12,152	0	0	12,152
Additions	0	162	0	0	162
Disposals	0	(50)	0	0	(50)
At end of year	0	12,264	0	0	12,264
Accumulated Depreciation					
At start of year	0	2,569	0	0	2,569
Charge for the year	0	333	0	0	333
On Disposals	0	(50)	0	0	(50)
At end of year	0	2,852	0	0	2,852
Net book value					
At end of year	0	9,412	0	0	9,412
At start of year	0	9,583	0	0	9,583

The College has substantial long-held historic assets all of which are used in the course of the College's teaching and research activities. These assets do not fall within the scope of FRS30 Heritage Assets and comprise listed buildings on the College site, together with their contents comprising works of art, ancient books and manuscripts and other treasured artefacts. Because of their age and, in many cases, unique nature, reliable historical cost information is not available for these assets and could not be obtained except at disproportionate expense. However, in the opinion of the Trustees the depreciated historical cost of these assets is now immaterial. Houses and flats belonging to the College are intrinsically linked to the College, so it is not considered appropriate to give a separate valuation of these properties.

Balliol College
Notes to the financial statements
For the year ended 31 July 2011

11 SECURITIES AND OTHER INVESTMENTS

	2011	2010
	£'000	£'000
Group investments		
Valuation at start of year	63,609	57,151
New money invested	2,810	3,259
Amounts withdrawn	(1,566)	(425)
Increase in value of investments	4,441	3,624
Group investments at end of year	69,294	63,609
Investment in subsidiary	0	0
College investments at end of year	69,294	63,609

Group and College investments comprise:

	Held outside the UK £'000	Held in the UK £'000	2011 Total £'000	2010 Total £'000
Equity investments	24,321	1,465	25,786	22,474
Global multi-asset funds	1,610	1,107	2,717	2,554
Property funds	900	4,809	5,709	6,125
Fixed interest stocks	3,505	2,686	6,191	4,276
Alternative and other investments	18,270	8,174	26,444	23,351
Fixed term deposits and cash	582	1,865	2,447	4,829
Total group investments	49,188	20,106	69,294	63,609

12 SUBSIDIARY UNDERTAKINGS

The College holds 100% of the issued ordinary share capital (£100) in Balliol Developments Limited, which is a vehicle for the building activities of Balliol College. Balliol Developments Ltd is currently not trading.

13 STATEMENT OF INVESTMENT TOTAL RETURN

The College operates a Total Return policy to investments, with freedom to invest endowed funds to maximise total return and to apply an appropriate portion of the unapplied total return to income each year. Each year 4% of the weighted and indexed average of the endowment investments over a four year period, using the value as at 31 March each year, is transferred to income. The overall movement in unapplied total return was as follows:

	Permanent Endowment £'000	Expendable Endowment £'000	Total £'000
Investment total return			
Income distributions	54	1,236	1,290
Investment gains	70	4,142	4,212
Unapplied total return before transfer to income	124	5,378	5,502
Transfer to income	(54)	(2,661)	(2,715)
Net increase in Unapplied Total Return in the year	70		
Unapplied Total Return at start of year	1,209		
Unapplied Total Return at end of year	1,279		

14 DEBTORS

	2011 Group £'000	2010 Group £'000	2011 College £'000	2010 College £'000
Amounts falling due within one year:				
Trade debtors	292	95	292	95
Amounts owed by College members	129	139	129	139
Prepayments and accrued income	1,012	755	1,012	755
	1,433	989	1,433	989

Balliol College
Notes to the financial statements
For the year ended 31 July 2011

15 DEPOSITS AND OTHER SHORT TERM INVESTMENTS

The College has negotiated a number of fixed term cash deposits with its bank and these are deposited for various periods between one and twelve months

16 CREDITORS: amounts falling due within one year

	2011	2010	2011	2010
	Group	Group	College	College
	£'000	£'000	£'000	£'000
Trade creditors	204	112	204	112
Amounts owed to College Members	103	140	103	140
Taxation and social security	210	114	210	114
College contribution	172	150	172	150
Other creditors	189	207	189	207
Accruals and deferred income	109	225	109	225
	987	948	987	948

17 FUNDS OF THE COLLEGE MOVEMENTS

	At 1 August 2010 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains £'000	At 31 July 2011 £'000
Endowment Funds - Permanent	1,257	0	0	0	70	1,327
Endowment Funds - Expendable	56,774	3,702	0	(2,358)	4,142	62,260
Total Endowment Funds	58,031	3,702	0	(2,358)	4,212	63,587
Restricted Funds	4,476	518	(3,159)	2,462	0	4,297
Unrestricted Funds						
General	14,803	7,395	(6,141)	(104)	229	16,182
Total Funds	77,310	11,615	(9,300)	0	4,441	84,066

18 FUNDS OF THE COLLEGE DETAILS

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

Endowment Funds - Permanent: Capital balance of past donations where related income, but not the original capital, can be used for restricted purpose of the charity

Endowment Funds - Expendable: Capital balance of past donations where related income, or income and capital, can be used for restricted purpose of the charity

Restricted Funds: A consolidation of gifts and donations where both income and capital can be used for restricted purpose

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

Transfers between Funds represent distribution of Endowment return to support resources expended in the Restricted and Unrestricted Funds, and as and when College make decisions, transfers are made for the re-allocation of unrestricted monies to Restricted or Endowment Funds.

Balliol College
Notes to the financial statements
For the year ended 31 July 2011

19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total £'000
Tangible fixed assets	9,412	0	0	9,412
Securities and other investments	5,707	0	63,587	69,294
Net current assets	1,063	4,297	0	5,360
	<u>16,182</u>	<u>4,297</u>	<u>63,587</u>	<u>84,066</u>

20 TRUSTEES' REMUNERATION

Trustee remuneration

The trustees of the college comprise the Governing Body, primarily fellows who are teaching and research employees of the college and who sit on the governing body by virtue of their employment.

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

The Financial Committee, on which two external members sit, deals with all matters relating to fellows and academic related salaries and benefits.

Trustees of the college fall into the following categories:

Professorial fellow, tutorial fellow, research fellow and supernumerary fellow.

There are also four trustees who work on management and fundraising, the Head of House, Senior Tutor/Academic Registrar and Development Director who all work full-time, and the Finance Bursar who is part-time.

Some trustees, particularly tutorial fellows, are eligible for college housing schemes. Fifteen trustees live in houses owned by the college. Others may be eligible for a housing allowance which is disclosed within the salary figures below.

Some trustees receive additional allowances for additional work carried out as part time college officers, eg Dean Vice-Master, Tutor for Admissions. These amounts are included within the remuneration figures below. The total remuneration, taxable benefits and pension contributions as shown below is £1,509,908 (2009-10 £1,428,084). The total of pension contributions is £181,048 (2009-10 £171,066).

Remuneration paid to trustees

Range	2010-2011		2009-2010	
	Number of trustees/ fellows	Gross remuneration, taxable benefits and pension contributions £	Number of trustees/ fellows	Gross remuneration, taxable benefits and pension contributions £
£5,000-£5,999	1	5,200	1	5,179
£6,000-£6,999	2	12,064	1	6,536
£10,000-£10,999	0	0	2	21,163
£11,000-£11,999	1	11,067	2	23,073
£12,000-£12,999	2	24,144	1	12,329
£13,000-£13,999	1	13,057	0	0
£14,000-£14,999	0	0	1	14,785
£15,000-£15,999	2	31,595	0	0
£16,000-£16,999	0	0	1	16,748
£17,000-£17,999	2	34,915	2	35,578
£18,000-£18,999	4	73,069	1	18,032
£19,000-£19,999	0	0	1	19,436
£24,000-£24,999	0	0	1	24,248
£26,000-£26,999	1	26,196	1	26,712
£28,000-£28,999	1	28,475	0	0
£29,000-£29,999	0	0	1	29,283
£30,000-£30,999	0	0	1	30,570
£31,000-£31,999	2	63,022	1	31,408
£39,000-£39,999	0	0	1	39,985
£40,000-£40,999	2	80,638	2	81,341
£41,000-£41,999	4	166,146	2	82,416
£43,000-£43,999	0	0	1	43,155
£45,000-£45,999	0	0	1	45,993

Balliol College
Notes to the financial statements
For the year ended 31 July 2011

Range	2010-2011		2009-2010	
	Number of trustees/fellows	Gross remuneration, taxable benefits and pension contributions £	Number of trustees/fellows	Gross remuneration, taxable benefits and pension contributions £
£46,000-£46,999	1	46,177	0	0
£47,000-£47,999	3	141,868	4	189,960
£48,000-£48,999	2	96,752	0	0
£52,000-£52,999	0	0	1	52,380
£54,000-£54,999	1	54,295	1	54,476
£55,000-£55,999	0	0	1	55,270
£57,000-£57,999	1	57,075	0	0
£62,000-£62,999	1	62,640	0	0
£64,000-£64,999	1	64,952	0	0
£65,000-£65,999	0	0	1	65,405
£66,000-£66,999	1	66,620	1	66,354
£69,000-£69,999	1	69,645	1	69,368
£74,000-£74,999	0	0	1	74,996
£75,000-£75,999	0	0	1	75,037
£76,000-£76,999	1	76,020	0	0
£86,000-£86,999	1	86,975	0	0
£116,000-£116,999	0	0	1	116,868
£117,000-£117,999	1	117,301	0	0

17 trustees are not employees of the college and do not receive remuneration.

All trustees, together with other senior employees, are eligible for private health insurance as part of their package of remuneration and all trustees may eat at common table, as can all other employees who are entitled to meals while working.

Trustee expenses

Three fellows were paid travel expenses for travel to trustee or other meetings (for example meetings in London in relation to college investments). The total cost of these expenses was £560 (2009-10 £396).

21 PENSION SCHEMES

The College participates in the Universities Superannuation Scheme ("the USS") and the University of Oxford Staff Pension Scheme ("the OSPS") on behalf of its staff. Both schemes are contributory defined benefit schemes (i.e. they provide benefits based on length of service and final pensionable salary) and are contracted out from the State Second Pension Scheme. The assets of USS and OSPS are each held in separate trustee-administered funds.

Both schemes are multi-employer schemes and the College is unable to identify its share of the underlying assets and liabilities of each scheme on a consistent and reasonable basis. Therefore, as required by the accounting standard FRS17 "Retirement Benefits", the College 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.

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

The Schemes are periodically valued by qualified actuaries. Both USS and OSPS were valued using the "projected unit" method, embracing a market value approach. The resulting levels of contribution take account of actuarial surpluses or deficits in each scheme. The financial assumptions were derived from market conditions prevailing at the valuation date. The assumptions which have the most significant effect on the results of the latest valuations and the determination of the contribution levels were as follows.

USS: The latest actuarial valuation of the scheme was at 31 March 2008. It was assumed that salary increases would be 4.3% per annum and pensions would increase by 3.3% per annum. In relation to past service liabilities it was assumed that the valuation rate of return would be 4.4% per annum, and in relation to future service liabilities it was assumed that the valuation rate of interest would be 6.1% per annum.

OSPS: The latest actuarial valuation of the scheme was at 31 March 2010. It was assumed that salary increases would be 4.7% per annum and pensions would increase by 3.7% per annum. It was assumed that the valuation rate of interest would be 7.0% per annum in relation to the period up to retirement and 5.0% per annum in relation to the period after retirement.

Balliol College
Notes to the financial statements
For the year ended 31 July 2011

Results of the latest actuarial valuations of the two schemes are:

	USS	OSPS
Date of valuation	31/03/08	31/03/10
Value of liabilities	£28,135m	£394m
Value of assets	£28,842m	£312m
Funding Surplus/(Deficit)	£707m	(£82m)
Funding Ratios:		
Technical Provisions basis	103%	79%
Statutory Pension Protection Fund basis	107%	86%
"Buy-out" basis	79%	52%
Estimated FRS17 basis	104%	77%
Recommended Employer's contribution rate (as % of pensionable salaries)	16%	21.5%

USS

The USS Actuary will undertake an actuarial valuation of the Scheme as at 31 March 2011, the results of which are not expected to be finalised until December 2011, with publication of the final results in 2012.

In the light of the considerable swings in markets since the valuation date, the nature of the demographic and financial assumptions used in the ongoing and solvency valuations, the significant positive cash flows and equity orientated investment strategy, USS' actuary recommended, and the Trustee agreed, that the small ongoing funding surplus should be carried forward to the next valuation.

Since 31 March 2008, global investment markets have continued to fluctuate and the actuary has estimated the funding level had fallen from 103% at 31 March 2008 to 91% (a deficit of £3,065m) at 31 March 2010. Compared to the previous 12 months, the funding level has improved from 74% as at 31 March 2009 to 91%. These estimates are based on the funding level at 31 March 2008, adjusted to reflect the funds' actual investment performance over the two years and changes in market conditions (market conditions affect both the valuation rate of interest and also the inflation assumption which in turn impacts on the salary and pension increase assumptions). On the FRS17 basis, the actuary estimated that the funding level at 31 March 2010 was 80% and on a buy out basis was approximately 57%.

The USS employer contribution rate required for future service benefits alone at the date of the valuation was 16% of total pensionable salaries and the Trustee company, on the advice of the actuary, implemented the increase from 14% to 16% on 1 October 2009. The USS Joint Negotiating Committee has discussed the funding position and has proposed a package of changes, including the admission of new members into a care Average Revalued Earnings section, to be implemented with effect on 1 October 2011. The changes are required to ensure the future sustainability of the Scheme. Further details about the changes may be reviewed on USS' website, www.uss.co.uk. The pension charge recorded by the College during the accounting period was equal to the contributions payable of £218,960 (2010: £246,970).

OSPS

The latest actuarial valuation of the OSPS was carried out at 31 March 2010 and identified a required long-term employer contribution rate of 18.2% of total pensionable salaries, but also a funding deficit of £82.4m. The University, on behalf of all the employers participating in the scheme, has agreed with the trustees of OSPS to address this deficit by continuing the employer contribution rate at the previously agreed rate of 21.5% of total pensionable salaries (this being the rate paid by the employer since 1 August 2008). The actuary has certified that the additional contribution should eliminate the deficit by 31 March 2027. The pension charge recorded by the College during the accounting period was equal to the contributions payable of £328,563 (2010: £307,160).

22 TAXATION

The College is able to take advantage of the tax exemptions available to charities from taxation in respect of income and capital gains received to the extent that such income and gains are applied to exclusively charitable purposes. No liability to corporation tax arises in the College's subsidiary company because the directors of this company have indicated that they intend to make donations each year to the College 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.

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

	2011 £'000	2010 £'000
Net incoming resources for the year	2,316	1,649
Elimination of non-operating cash flows:		
- Investment income	(1,537)	(2,606)
- Endowment donations	(2,412)	(908)
Depreciation	333	225
Profit on sale of fixed assets	(941)	0
(Increase)/Decrease in stock	(7)	13
(Increase)/Decrease in debtors	(444)	(94)
Increase/(Decrease) in creditors	39	(113)
Net cash (outflow) from operations	(2,653)	(1,834)

24 ANALYSIS OF CHANGES IN NET FUNDS

	2010 £'000	Cash flow £'000	2011 £'000
Cash at bank and in hand	1,420	(721)	699
Deposits and other short term investments	2,616	1,551	4,167
	<u>4,036</u>	<u>830</u>	<u>4,866</u>

25 FINANCIAL COMMITMENTS

At 31 July the College had no annual commitments under non-cancellable operating leases.

26 CAPITAL COMMITMENTS

The College had no contracted commitments at 31 July for future capital projects.

27 RELATED PARTY TRANSACTIONS

The College is part of the collegiate University of Oxford. Material interdependencies between the University and of the College arise as a consequence of this relationship. For reporting purposes, the University and the other Colleges are not treated as related parties as defined in FRS8 ("Related party disclosures").

Members of the Governing Body, who are the trustees of the College and related parties as defined by FRS 8, receive remuneration and facilities as employees of the College. Details of these payments and reimbursed expenses as trustees are disclosed separately in these financial statements.