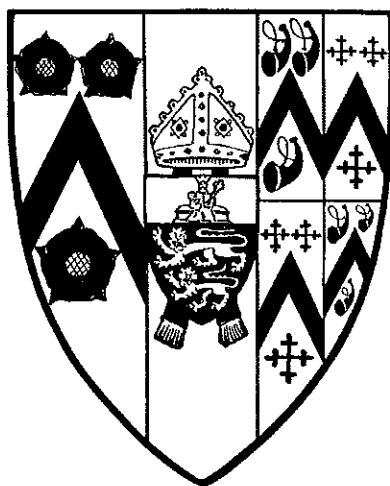


# Brasenose College

Annual Report and Financial Statements

For the y/e 31 July 2012



Registered Charity 1143447



**Brasenose College**  
**Annual Report and Financial Statements**  
**Contents**

---

Governing Body, Officers and Advisers	page 2
Report of the Governing Body	page 5
Independent Report of the Auditor	page 14
Statement of Accounting Policies	page 15
Consolidated Statement of Financial Activities	page 18
Consolidated and College Balance Sheets	page 19
Consolidated Cashflow Statement	page 20
Notes to the Financial Statements	page 21

**Brasenose College**  
**Governing Body, Officers and Advisers**  
**Year ended 31 July 2012**

---

**MEMBERS OF THE GOVERNING BODY**

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

Principal:      Prof Roger Cashmore    (retired 30 Sept 2011)  
                  Prof Alan Bowman        (elected from 1 Oct 2011)

Dr Ed Bispham	Dr Thomas Krebs
Dr Richard Boyd (retired Sept 2012)	Prof Susan Lea
Dr Harvey Burd	Dr Dave Leal
Prof Richard Cooper	Dr Owen Lewis
Mr Anthony Courakis (retired Sept 2011)	Dr Christopher McKenna
Prof Ronald Daniel	Dr Llewelyn Morgan
Prof Anne Davies	Prof Simon Palfrey
Dr Anne Edwards	Mr Philip Parker (trustee from Oct 2011)
Dr Sos Eltis	Dr David Popplewell
Dr Rui Esteves	Prof Nicholas Purcell (trustee from Oct 2011)
Dr Eamonn Gaffney	Rev Graeme Richardson
Dr Abigail Green	Dr Jeremy Robertson
Dr David Groiser	Dr Simon Smith (trustee from Oct 2012)
Prof Richard Haydon	Dr Andrew Stockley (resigned Feb 2011)
Prof Laura Herz	Dr Alan Strathern (trustee from Oct 2012)
Prof Guy Houlsby	Mr William Swadling
Dr Adam Humphreys (trustee from Oct 2011)	Dr Eric Thun
Dr Martin Ingram (retired Sept 2011)	Dr Christopher Timpson
Prof William James	Prof Stefan Vogenauer
Dr Thomas Johansen	Dr Giles Wiggs
Prof Jonathan Jones	Dr Mark Wilson
Prof Paul Klenerman	

**Brasenose College**  
**Governing Body, Officers and Advisers**  
**Year ended 31 July 2012**

---

The activities of the Governing Body are carried out through a number of committees. The major committees are listed below. Membership is for the 2011/12 academic year, and committee members are also members of Governing Body unless otherwise indicated.

Academic Committee

Principal  
Vice Principal  
Bursar  
Senior Tutor  
Tutor for Graduates (Dr Thomas Krebs)  
Fellow Librarian (Dr Simon Palfrey)  
Dr Jeremy Robertson  
Mr William Swadling  
Dr Harvey Burd  
Dr Abigail Green

Investment Advisory Committee

Principal  
Bursar  
Prof Jonathan Jones  
Dr Giles Wiggs  
Mr Simon Davies (Matriculated 1977)  
Mr Robert Kyprianou (Matriculated 1973)  
Mr Nigel Wightman (Matriculated 1971)  
Mr David Watts (Matriculated 1968)

Development Committee

Principal  
Director of Development  
Bursar  
Prof Richard Cooper  
Prof Ron Daniel  
Prof Richard Haydon  
Revd Graeme Richardson  
Dr David Groiser  
President of Brasenose Society

Personnel Committee

Principal  
Bursar  
Senior Tutor  
Domestic Bursar  
Prof Anne Davies  
Dr Anne Edwards  
Dr Thomas Johansen

Estates and Finance Committee

Principal  
Vice Principal  
Bursar  
Senior Tutor  
Dr Rui Esteves  
Prof Laura Herz  
Dr Giles Wiggs  
Dr Owen Lewis  
Dr Mark Wilson  
Prof Andrew Pettigrew (Senior Golding Fellow)

Remuneration Committee

Prof Peter Cook (Emeritus Fellow)  
Prof Guy Houlsby  
Prof Francis Robinson (Senior Golding Fellow)  
Prof Peter Sinclair (Emeritus Fellow)

**Brasenose College**  
**Governing Body, Officers and Advisers**  
**Year ended 31 July 2012**

---

**COLLEGE OFFICERS AND SENIOR STAFF**

The principal officers and senior staff of the College to whom day to day management is delegated were::

Vice Principal	Prof Richard Haydon (to March 2012) Prof Ron Daniel (from March 2012)
Bursar	Philip Parker
Senior Tutor	Karen Brill (Interim Senior Tutor, Feb 2011 to Sept 2011) Dr Simon Smith (from Sept 2011)
Director of Development & Alumni Relations	Dr Liz Miller
Domestic Bursar	Mel Parrott
College Accountant	Julia Palejowska
Chaplain	Rev Graeme Richardson

**Brasenose College**  
**Governing Body, Officers and Advisers**  
**Year ended 31 July 2012**

---

**COLLEGE ADVISERS**

**Auditor**

Grant Thornton LLP  
3140 John Smith Drive  
Oxford Business Park South,  
Oxford OX4 2WB

**Bankers**

Barclays Commercial Bank plc  
Southern Team  
Apex Plaza 4<sup>th</sup> Floor  
Forbury Rd  
Reading RG1 1AX

**Solicitors (Property)**

Darbys Solicitors LLP  
52 New Inn Hall Street  
Oxford  
OX1 2DN

**Solicitors (General)**

Blake Lapthorn  
Seacourt Tower  
West Way  
Oxford OX2 0FB

**Land Agent**

Peter Cooper  
Laws and Fiennes  
Warren Lodge  
Broughton  
Banbury  
OX15 5EF

**COLLEGE ADDRESS**

Brasenose College  
Radcliffe Square  
Oxford OX1 4AJ

[www.bnc.ox.ac.uk](http://www.bnc.ox.ac.uk)

**Brasenose College**  
**Report of the Governing Body**  
**Year ended 31 July 2012**

---

The Members of the Governing Body present their Annual Report for the year ended 31 July 2012 under the Charities Act 1993 together with the audited financial statements for the year.

**REFERENCE AND ADMINISTRATIVE INFORMATION**

The King's Hall and College of Brasenose in Oxford, which is known as Brasenose College, ("the College") is an eleemosynary chartered charitable corporation aggregate. It was founded by William Smyth, Bishop of Lincoln, and Sir Richard Sutton, a lawyer, in 1509, and received its royal charter from Henry VIII in 1511.

The College registered with the Charity Commission on 18 August 2011 (registered number 1143447).

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 dated 28 April 1954, as last amended in December 1999.

**Governing Body**

The Governing Body is constituted and regulated in accordance with the College Statutes, the terms of which are enforceable ultimately by the Visitor, who is the Bishop of Lincoln. The Governing Body is self-appointing.

The majority of Governing Body consists of Official Fellows who are either tutors, jointly appointed with the University because of their academic excellence and suitability to meet teaching and research needs of the College, or College Officers appointed to fulfil specific administrative or managerial roles in the College. In 2011/12, the Governing Body also included three Professorial Fellows and five Supernumerary Fellows.

New Members of the Governing Body are usually recruited by advertisement and inducted into the workings of the College, including Governing Body policy and procedures, by the Principal and other Officers. In accordance with College Statutes, new Fellows do not vote at Governing Body during their first year in office, and are therefore not Trustees of the charity.

The Governing Body determines the ongoing strategic direction of the College and regulates its administration and the management of its finances and assets. It meets at least eleven times per year under the chairmanship of the Principal. It delegates many of its governance functions to governance and advisory committees, of which the ones with the widest remit are listed on page 3, and it delegates day to day management of the College to the Officers and senior members of staff, listed on page 4.

**Group structure and relationships**

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

The College also has a wholly owned non-charitable subsidiary, Brasenose Ltd, whose annual profits are donated to the College under the Gift Aid Scheme, which undertakes any of the College's significant building works and trading activities, including the sale of merchandise. With effect from 1<sup>st</sup> August 2011 the College also contracted with Brasenose Limited to manage its commercial events and conferences. The subsidiary's aims, objectives and achievements are covered in the relevant sections of this report.

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. Where applicable, and particularly on matters relating to the recruitment and teaching of students and academic staff, the College liaises closely with the University and the other Colleges.

## **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, chaired by the Principal. Financial risks are assessed by the Estates & Finance Committee, which receives advice on investment risks from the Investment Advisory Committee. The Domestic Bursar and the heads of the domestic staff teams meet regularly to review health and safety issues and report at least once a year on health and safety matters to Governing Body. 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, which has ultimate responsibility for managing any risks faced by the College, has given consideration to the major risks to which the College and its subsidiary are exposed, is aware of the need to manage these risks and is satisfied that systems are in place to monitor the College's capacity and preparedness to control 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 Public Benefit**

The object of the College is to advance education, learning, religion and research, for the public benefit, through the provision, support and conduct of a perpetual College in the University of Oxford. The Trustees are mindful of their duty to ensure that the College provides a public benefit, and are content that the College fulfils this duty. The Trustees' statement detailing this public benefit is available from the College.

### **Activities and objectives of the College**

The College advances public learning by providing higher education for undergraduate and postgraduate students within Oxford University, and by supporting the pursuit of publicly disseminated research. The College currently has approximately 370 undergraduates, 200 postgraduates, and around 40 fellows who have contractual obligations to teach and to undertake research.

The College provides public benefit by offering higher education to its undergraduates, much of it via the tutorial system which provides the opportunity to meet with a tutor on a weekly basis during term time. In addition, the College provides classes, seminars and other forms of teaching as appropriate, in conjunction with the University's departments.

Graduates at the College form an important part of the academic community. While they are taught or supervised at their University Faculty, every graduate student is assigned a College Graduate Adviser who provides academic and pastoral support. The College also appoints a Tutor for Graduates to have general oversight of the academic progress of graduates and their welfare and needs.

To support student learning, the College also provides the use of its library, chapel, buildings and accommodation, and actively promotes the wider cultural, religious, moral and social development of its students through the provision of music, computer facilities, sports, welfare support, careers advice and other facilities.

The College also advances research in a range of disciplines by employing academics who have a contractual obligation to undertake published research, and providing them with a supportive academic atmosphere, including the provision of sabbatical leave, research grants, library and computer facilities, office accommodation and meals. The high levels of research activity by College fellows have been audited by the national Research Assessment Exercise (2008); that research is disseminated through published papers, books, websites and lectures. The College also provides financial support to some graduate researchers who, at the beginning of their careers, have already shown outstanding promise in their chosen field of research for a period of up to three years to enable them to concentrate on their topic of research.

### **Recruitment and support for students**

The College offers undergraduate places on the basis of academic merit. The College aims to attract students who are most able to benefit from an Oxford education regardless of sex, income, ethnic origin, religion, disability or previous educational opportunity, and actively works to recruit students from non-traditional backgrounds by promoting access with maintained schools. There are no geographical restrictions in the College's objectives and students and academic employees are drawn from across the UK and the wider world.

The College charges students fees which, where applicable, are set in accordance with rates approved by Government, and also accommodation and meal charges at reasonable, subsidised rates.

Financial support is available to students to assist them with the costs of tuition fees and living costs whilst at the College. In addition to student loans provided by the Student Loans Company available to undergraduates from within the EU, other financial support, in the form of a bursary, is available to UK undergraduates who are from households where income is below a certain level. In the 2011/12 academic year 74 students (25% of the College's UK undergraduates) received a total of £165,000 under this bursary scheme (2010/11 66 students received £147,000). Well over a third of these students received £3,225, the maximum award. In addition, the College has a Student Support Fund which makes grants to both undergraduate and graduate students in financial hardship or needing additional funds to support their academic or extra-curricular activities. In 2011/12 the College distributed £40,000 to support students in this way (2010/11 £56,000).

Graduate funding is available for some students and for the most able there are a limited number of funds administered and awarded by the College and University jointly. In 2011/12, 23 students received a total of £150,000 from College funds for these studentships (in 2010/11, 21 students received £155,000). In addition during the year the College provided £31,000 in smaller grants and scholarships to support the academic studies of its postgraduate students (2010/11 £39,000).

The College also awarded £26,000 in academic prizes to undergraduates and graduates in 2011/12 (2010/11 £29,000). Prizes are awarded on the basis of academic excellence and serve to encourage academic endeavour at the College.

### **ACHIEVEMENTS AND PERFORMANCE**

This year, Brasenose's reputation for excellence in learning and research was advanced by both students and academics alike. The college's undergraduates performed extremely impressively in the Final Honour Schools. Of the 96 Finalists, 41 achieved first-class degrees and a further 51 secured an upper-second. The names of a number of undergraduates gaining Firsts appear very high in their respective class lists, and seven students were awarded University prizes (or received special commendation from the Chair of Examiners) in recognition of their performances. As a result of these achievements, Brasenose was placed 2<sup>nd</sup> out of 30 Colleges in the (unofficial) 2012 Norrington table, which ranks the Oxford colleges by their weighted undergraduate results. On the graduate side, academic results were also very encouraging. Ten out of 53 students completing taught programmes achieved distinction (nearly 1 in 5), while the remaining 43 students all achieved passes. In addition, 30 Brasenose graduates completed DPhils successfully.

The College Fellowship was augmented in 2011-12 by the appointment of Dr Ferdinand Rauch as Fellow and Tutor in Economics, and the award of Supernumerary Fellowships to Dr Ed Walsh (Engineering) and Professor Monica Toft (Politics). At the same time, this year marked the retirement of Dr Richard Boyd, who has made an outstanding contribution to furthering study of Medicine at Brasenose. The College also appointed Dr Irene Salas (French) and Dr Leif Dixon (History) who will join the College as Departmental Lecturers in the coming year, enabling Professor Richard Cooper to provide leadership as Chair of the Modern Languages Faculty and Dr Alan Strathern to complete the term of his Leverhulme Prize Fellowship. Brasenose's association with world-leading researchers in experimental neurology was strengthened further by the election of Professor Peter Brown to a Senior Kurti Fellowship. The ranks of the Junior Kurti and Golding Fellows were similarly bolstered by the election of Dr Arthur Laganowsky (Biological Sciences), Dr

**Brasenose College**  
**Report of the Governing Body**  
**Year ended 31 July 2012**

---

Peter Leek (Quantum Physics), Dr Philipp Niewoehner (History and Archaeology), and Dr Elizabeth Solopova (Medieval Literature).

The list of notable achievements by Senior Members includes the following:

The Principal, Professor Alan Bowman, has been granted the Degree of Doctor of Letters by the University of Oxford.

Professor Richard Cooper was promoted *Commandeur des Palmes Académiques* in honour of his contributions to French national education and culture.

Professor Russell Foster (Professor of Neuroscience) became a Principal Investigator at the University's newly established *Sleep and Circadian Neuroscience Institute (SCNI)* funded by a £6m Wellcome Trust grant.

Dr Abigail Green (Tutorial Fellow in History) was awarded a Sami Rohr Prize for Jewish Literature Choice Award, for her biography, *Moses Montefiore: Jewish Liberator, Imperial Hero*.

Professor Laura Herz (Tutorial Fellow in Physics) was awarded the title of Professor of Physics.

Professor Jonathan Jones (Tutor Fellow in Physics) co-authored *Quantum Information, Computation and Communication: a guide to the remarkable and complex world of quantum Physics*.

Dr Vladimir Kuznetsov (Lecturer in Chemistry) is co-supervisor of a project that received venture prize funding to develop a high-technology zinc coating with the potential to significantly reduce the manufacturing costs of new-generation solar photovoltaic cells.

Dr Llewelyn Morgan (Tutorial Fellow in Classics) published *The Buddhas of Bamiyan*, a history of the two monumental statues of Buddha in Afghanistan.

Professor Simon Palfrey (Tutorial Fellow in English) was awarded the title of Professor of English Literature.

Professor Andrew Pettigrew (Professor of Strategy and Organisation at the Saïd Business School) was presented with the Richard Whipp Lifetime Achievement Award by the British Academy of Management.

Dr David Popplewell (Supernumerary Fellow in Psychology) was awarded an Oxford Teaching Award by the Medical Sciences Division, as a public acknowledgement of his excellence in teaching and learning.

Professor Graham Richards' (Emeritus Fellow in Chemistry) research group devised the thinnest five-ringed structure in existence, which has been christened 'Olympicene'.

Dr Jeremy Robertson's (Tutorial Fellow in Chemistry) research group has won a €3.6m grant to fund 13 DPhil students, two of whom will be joining Brasenose as graduates.

Professor Peter Somogyi (Senior Nicholas Kurti Fellow) was awarded the Commander's Cross Order of merit of the Republic of Hungary for services to science.

Professor Stefan Vogenauer (Professor of Comparative Law) has been honoured with a Humboldt Research Award, conferred in recognition of his lifetime achievements in research and bringing with it an invitation to carry out research projects of his own choice in cooperation with specialist colleagues in Germany.

Professor Andrew Zisserman (Professor of Computer Vision Engineering) was awarded the Rank Optoelectronics Prize for outstanding contributions to modern computer vision.

One of Brasenose's key strategic aims is to recruit the brightest and best applicants, regardless of background or circumstances. The strength of recruitment is evidenced by the fact that 889 direct applications were received (a record and the second highest College total in Oxford). The high quality of candidates is reflected in the fact that 46 applicants received offers from other Colleges in addition to the 107 Brasenose offer-holders. Open Days contribute significantly to these outcomes: over the three June and September Open Days, the College welcomed more than 5,000 visitors through its gates.

Outreach activity is distinct from recruitment but there are complementarities between the two. Within the coordinated University outreach programme, the College's regional links are North Yorkshire and West

**Brasenose College**  
**Report of the Governing Body**  
**Year ended 31 July 2012**

---

Berkshire (it acts as first contact for schools in these regions and a majority of schools visits are made to the two areas). Outreach work aims to promote the value of an Oxford University education as widely as possible, concentrating effort on those schools achieving excellent results but with little or no prior history of making applications to the University. Brasenose undertakes access initiatives in its own right and also in association with other Colleges. In 2011/12, the Schools Liaison Officer made more than 100 visits to VI-formers and other year groups, while more than 50 school parties visited Brasenose. The College continues to contribute significantly to the Pathways and UNIQ summer schools projects. Thanks to generous alumni support, a record 75 visitors from the North Yorkshire link region stayed overnight for the June Open day. Brasenose students and the Outreach Officer also contributed to a Pathways event coinciding with the September Open Day, to which 150 prospective applicants were invited: individuals who are outstanding among their peers but who study in schools with limited experience of Oxbridge. As part of a pro-active strategy to work with schools seeking to raise the aspirations of gifted students, three Teach First scholarships were awarded in 2011-12 to College graduates wishing to train as teachers.

While academic excellence is central to Brasenose's continued success, the College strives to maintain a lively social and cultural environment in which scholarship can flourish. Most subjects have student-organised subject societies. The Ashmole (History) Society is one example and in 2011-12 organised a lively programme of film nights, debates, and talks by outside speakers and College Lecturers. The graduate 'Blurbs' evenings, which feature short talks by members of the HCR and SCR followed by dinner, proved very popular with three sessions running in each Term. Students are also encouraged to develop extra-curricular activities to the full. This year's student-run Arts Week triumphed over adverse weather and cemented its position as one of Oxford's leading festivals for drama, music, literature, and dance. Plays were also produced in College throughout the year, including Alan Bennett's *Talking Heads*. Several Brasenose undergraduates also directed, produced, or took lead parts in Oxford's wider theatre scene. Current student, Richard O'Brien, saw his play *Jake's Progress* performed and two Brasenose alumni, Grace Mcleen and Ben Masters, published debut novels. Music Director, Jonny Newell, reports that more musical events of quality took place in Brasenose than in nearly all other Colleges. In the nearby Sheldonian, Finalist Claire Wickes performed the Nielsen flute concerto as winner of the Oxford University Philharmonia's concerto competition. On the sporting front, 2011-12 was a good year for the boat club, with some excellent results in the Summer Eights duly chalked up in Old Quad. Professor Richard Cooper's extensive involvement in Oxford sport over more than four decades was marked by his selection as an Olympic torch bearer. In addition to these notable student achievements, Brasenose hosted distinguished visitors in a range of fields who contributed to academic and cultural events organised by the College and University. Diane Coyle OBE delivered this year's Tanner Lectures on Human Values, choosing as her theme 'The Public Responsibilities of the Economist.' The fourth annual John Ackrill Memorial Lecture in Ancient Philosophy was delivered by Professor Gisela Striker who spoke on 'Two ways of deliberating - Aristotle and the Stoics'. Vanessa Redgrave CBE spent time in the College as the Humanitas Visiting Professor of Drama. During her visit to Oxford she delivered a lecture series and took part in a literary symposium. More details of these and other events can be found in the news section of the College website, which samples the range of activities taking place throughout the year.

The College continued to invest in its infrastructure, and completed the major re-building of kitchens, dining spaces and Senior Common Room. Earlier phases of this development included the refurbishment of Hall, JCR and bar. The building programme is fully financed by a £9m loan at 4.588% fixed rate repayable in 2049. The project was completed on time and within budget. The next development, identified as a priority by both students and Fellows, is the expansion of the library facilities with a new reading room. The architect Tim Lee of Lee Fitzgerald has been appointed to guide the College on this project.

### **Support from Alumni**

The College benefits from significant support from former students, staff and friends. Many gave generously of their time to provide mentoring and career advice to the current students. The highlight of this programme was a seminar on careers in the media this resulted in several internships for current students. We are particularly grateful to the alumni who serve on our Investment and Fundraising Advisory Committees for their time and invaluable expertise.

Philanthropic support for the College is essential to the maintenance of high standards in teaching, research and student support and the excellence of the facilities. The total received by way of legacies and donations

**Brasenose College**  
**Report of the Governing Body**  
**Year ended 31 July 2012**

---

this year was £2,371,000. The College is very grateful to the 750 alumni who supported the Annual Fund with gifts totalling £269,000 (2011: £211,000), and also to the donors who were able to make a permanent contribution to the financial well-being of the College with gifts to the endowment totalling £1,734,000 in this year. Other gifts including legacies totalled £382,000.

Particular thanks go to:

Dominic Barton (Economics 1984)  
Gerald Smith (Philosophy 1984)  
Gordon Orr (Engineering 1981)

### **FUTURE PLANS**

The College will continue to recruit the best possible students from the widest possible background, with particular energy directed to encouraging applicants from schools that do not traditionally send students to Oxford.

The first cohort of undergraduates who will study under the new fee regime will arrive in College in October 2012. Brasenose will share the costs with the University of supporting those students from families with lower incomes through Oxford's package of fee waivers and bursaries, which is the most generous universal package offered by any English University.

The College will continue to provide academic teaching and guidance to its students so they can achieve to the best of their abilities, and to provide the facilities and environment required for the development and enjoyment of students outside their academic studies.

The College will continue to recruit and retain world class academics to carry out both teaching and research.

### **FINANCIAL REVIEW**

The College's consolidated total funds increased by £0.5m in the year, standing at £110.2m at 31 July 2012. The endowment funds increased by £0.2m to £90.2m, the restricted funds remained at £0.8m and the College's unrestricted funds increased slightly by £0.3m to £19.2m.

The College's incoming resources were £9.8m in the year, £1.9m higher than in 2010/11. Much of the increase was in donations, particularly capital gifts to the endowment of £1,735,000 (2011: £433,000) which tend to vary considerably from year to year. Fee income and investment income remained broadly in line with the prior year, reflecting only a marginal increase.

The increase in income also reflects the recovery of £185,000 in unclaimed mandatory rates relief in the year.

Expenditure in the year totalled £9.1m in 2011-12 (£8.8m in 2010-11), leaving the College with net incoming resources before capital gains on investments of £0.7m (2011: £0.9m).

Most of these inflow (£0.4m) related to the endowment funds, and include a transfer to the restricted and unrestricted funds of £3.1m, in accordance with the College's total return policy. The endowments also benefited from capital gains of £1,808,000 on the land and property portfolio, which compensated for capital on the investment portfolio of £1,978,000, and so ended the year at £90.2m.

The unrestricted funds saw a small outflow of £0.3m, ending the year at £19.2m, representing general and designated funds which are consistent with the reserves policy.

**Brasenose College**  
**Report of the Governing Body**  
**Year ended 31 July 2012**

---

**Reserves policy**

The College's reserves policy is to maintain sufficient free reserves to provide both working capital to finance the College operations, despite the uneven pattern of receipts which are weighted to the start of the academic year, and some reserves to enable it to meet its short-term financial obligations without interruption to services in the event of an unexpected revenue shortfall.

The College's free reserves at the year end amounted to £3.0m (2010/11 £2.6m), representing net current assets in unrestricted funds, excluding designated funds. Designated funds at 31 July 2012 totalled £0.4m, of which £0.1m consisted of funds set aside for the final retention payment on the building works.

**Investment policy, objectives and performance**

The College's investment objective is to preserve the value of its assets in real terms while allowing it to make an annual withdrawal of funds to support the activities of the College.

To meet these objectives the College's investments as a whole are managed on a total return basis, maintaining diversification across a range of asset classes in order to produce an appropriate balance between risk and return. The Governing Body has decided to withdraw 3.75% (with a maximum of 4.5%) each year from the endowment, based on the average closing value of the endowment over the past 5 years. In accordance with this policy, the Governing Body transferred £3.1m from the endowment to restricted and unrestricted funds for spending in the year. In funds where these balances have not yet been fully expended, the unspent balances are carried forward for spending in the near future. The Governing Body will keep the level of withdrawal under review to balance the needs and interests of current and future beneficiaries of the College's activities.

The investment strategy, policy and performance are monitored by the Investment Advisory Committee who report to the Estates & Finance Committee. At the year end, the College's endowments were valued at £90.2m (2011 £89.9m). Over the three years to 30 June 2012, the portfolio produced total returns of 11.9% per year. This was 3.9% per annum ahead of the College's target, which is to earn returns of 3.75% more than inflation (RPI). Over the same three year period the FTSE 100 index of UK shares returned 13.8% per year. About 60% of the College's endowment is invested in equities, with about 30% invested in property and the remainder in other financial instruments.

**STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES**

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

The law applicable to charities in England and Wales requires the members of Governing Body, who are trustees of the charity, to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

The trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and the group and of the incoming resources and application of resources, including the income and expenditure, of the group for that period.

In preparing these financial statements, the Governing Body is required to:

- select the most suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

**Brasenose College**  
**Report of the Governing Body**  
**Year ended 31 July 2012**

---

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the College will continue to operate.

The Governing Body is responsible for keeping proper accounting records that are sufficient to show and explain the College's transactions and disclose with reasonable accuracy at any time the financial position of the College and enable it to ensure that the financial statements comply with the Charities Act 2011. It is also responsible for safeguarding the assets of the College and ensuring their proper application under charity law and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Governing Body on 7 November 2012 and signed on its behalf by:

Prof Alan Bowman  
Principal

## **Brasenose College**

### **Report of the Auditor to the Members of the Governing Body of Brasenose College**

We have audited the financial statements of Brasenose College for the year ended 31 July 2012 which comprise the Statement of Financial Activities, the Group and Charity balance sheets, the Group 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).

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

#### **Respective responsibilities of trustees and auditor**

As explained more fully in the Trustees' Responsibilities Statement set out on page 10, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under Section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

#### **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 parent Charity's affairs as at 31 July 2012 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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

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

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

Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
OXFORD

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

**Brasenose College**  
**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, Brasenose Limited. No separate SOFA has been presented for the College alone as permitted by paragraph 397 of the Charities SORP 2005. The results of the subsidiary as included in the consolidated income, expenditure and results of the College are disclosed in note 13.

**2. Basis of accounting**

The financial statements have been prepared under 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") and applicable accounting standards. The financial statements are drawn up on the historical cost basis of accounting as modified by the revaluation of investment properties and other investments.

**3. 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.

**4. 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 legally restricted 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.

**5. Conference and Other Trading Income**

Conference Income in relation to conferences than span the year end is accrued for in accordance with the proportion of completion. All other trading income is credited to the SOFA on a receivables basis.

**6. 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. Income from investment properties is accounted for in the period to which the rental income relates.

**7. 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 charged as expenditure 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 subsidiaries are excluded from trading income and expenditure.

**8. Leases**

Rentals payable under operating leases are charged in the SOFA on a straight line basis over the relevant lease terms.

The cost of the assets held under finance leases is included within fixed assets and depreciation is charged in accordance with the accounting policy for each class of asset concerned. The corresponding capital obligations under these leases are shown as liabilities. The finance charge element of rentals is charged to the Statement of Financial Activities and classified within finance costs as incurred.

**Brasenose College**  
**Statement of Accounting Policies**  
**Year ended 31 July 2011**

---

**9. Tangible fixed assets**

Expenditure on the acquisition, construction or enhancement of land and buildings costing more than £5,000 together with expenditure on equipment costing more than £5,000 is capitalised and carried in the balance sheet at historical cost.

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
Leasehold properties	50 years or period of lease if shorter
Building improvements	50 years or period of lease if shorter
Plant and Machinery	20 years
Computer Systems and Equipment	4 years

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

**11. Investments**

Investment properties are valued as individual investments at their market values as at the balance sheet date. Purchases and sales of investment properties are recognised on exchange of contracts.

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. Liabilities**

Liabilities are recognised when there is a legal and constructive obligation committing the charity to the expenditure.

**14. 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.

**15. Total Return investment accounting**

The College statutes authorise the College to adopt a 'total return' basis for the investment of its permanent endowment. The College can invest its permanent 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. Until this power is exercised, the total return is accumulated as a capital supplement to the preserved value of the permanent endowment.

The Governing Body has decided that it is in the best interests of the College to account for its invested expendable endowment capital in the same way, though there is no legal restriction on the power to spend such capital.

For the carrying value of the preserved permanent capital, the Governors have taken its open market value as at 1 August 2002, together with the original gift value of all subsequent endowments received.

**Brasenose College**  
**Statement of Accounting Policies**  
**Year ended 31 July 2011**

---

**16. 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. 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.

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 capital.

**17. Pension costs**

The costs of retirement benefits provided to employees of the College through two multi-employer defined 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.

**Brasenose College**  
**Consolidated Statement of Financial Activities**  
**For the year ended 31 July 2012**

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2012 Total £'000	2011 Total £'000
<b>INCOMING RESOURCES</b>						
<b>Resources from charitable activities</b>	1					
Teaching, research and residential		5,124	0	0	5,124	4,804
		<u>5,124</u>	<u>0</u>	<u>0</u>	<u>5,124</u>	<u>4,804</u>
<b>Resources from generated funds</b>						
Legacies and donations		382	255	1,734	2,371	998
Trading income	2	48	0	0	48	34
Investment income	3	2	0	1,984	1,986	1,922
Bank and other interest	4	94	0	0	94	124
		<u>526</u>	<u>255</u>	<u>3,718</u>	<u>4,499</u>	<u>3,078</u>
<b>Other incoming resources</b>		185	0	0	185	5
<b>Total Incoming Resources</b>		<u>5,835</u>	<u>255</u>	<u>3,718</u>	<u>9,808</u>	<u>7,887</u>
<b>RESOURCES EXPENDED</b>						
<b>Cost of generating funds</b>	5					
Fundraising		453	0	0	453	419
Trading expenditure		25	0	0	25	0
Investment management costs		(0)	0	138	138	86
		<u>478</u>	<u>0</u>	<u>138</u>	<u>616</u>	<u>505</u>
<b>Charitable activities</b>	5					
Teaching, research and residential		8,060	414	0	8,474	8,238
		<u>8,060</u>	<u>414</u>	<u>0</u>	<u>8,474</u>	<u>8,238</u>
<b>Governance costs</b>	8	21	0	0	21	28
<b>Total Resources Expended</b>		<u>8,559</u>	<u>414</u>	<u>138</u>	<u>9,111</u>	<u>8,771</u>
<b>Net incoming/(outgoing) resources before transfers</b>		(2,724)	(159)	3,580	697	(884)
Transfers between funds	14,19	2,990	143	(3,133)	0	0
<b>Net incoming/(outgoing) resources before other gains and losses</b>		<u>266</u>	<u>(16)</u>	<u>447</u>	<u>697</u>	<u>(884)</u>
Investment gains/(losses)		2	0	(171)	(169)	7,958
<b>Net movement in funds for the year</b>		<u>268</u>	<u>(16)</u>	<u>276</u>	<u>528</u>	<u>7,074</u>
Fund balances brought forward	19	18,884	819	89,925	109,628	102,554
<b>Funds carried forward at 31 July</b>	19	<u>19,152</u>	<u>803</u>	<u>90,201</u>	<u>110,156</u>	<u>109,628</u>

**Brasenose College**  
**Consolidated and College Balance Sheets**  
**As at 31 July 2012**

	Notes	2012 Group £'000	2011 Group £'000	2012 College £'000	2011 College £'000
<b>FIXED ASSETS</b>					
Tangible assets	10	24,869	21,255	25,281	21,484
Property investments	11	25,494	24,549	25,494	24,549
Securities and other investments	12	60,862	62,976	61,062	62,976
		<b>111,225</b>	<b>108,779</b>	<b>111,837</b>	<b>109,009</b>
<b>CURRENT ASSETS</b>					
Stocks		222	192	211	181
Debtors	15	2,705	2,531	2,987	2,802
Deposits and other short term investments		4,400	5,133	4,400	5,133
Cash at bank and in hand		1,557	2,834	1,311	2,755
		<b>8,884</b>	<b>10,690</b>	<b>8,909</b>	<b>10,871</b>
<b>CREDITORS: falling due within one year</b>	16	<b>953</b>	<b>841</b>	<b>982</b>	<b>820</b>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<b>7,931</b>	<b>9,849</b>	<b>7,927</b>	<b>10,051</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>119,156</b>	<b>118,628</b>	<b>119,764</b>	<b>119,060</b>
<b>CREDITORS: falling due after more than one year</b>	17	<b>9,000</b>	<b>9,000</b>	<b>9,000</b>	<b>9,000</b>
<b>NET ASSETS</b>		<b>110,156</b>	<b>109,628</b>	<b>110,764</b>	<b>110,060</b>
<b>FUNDS OF THE COLLEGE</b>					
	19				
<b>Endowment funds</b>		<b>90,202</b>	<b>89,925</b>	<b>90,202</b>	<b>89,926</b>
<b>Restricted funds</b>		<b>804</b>	<b>819</b>	<b>804</b>	<b>819</b>
<b>Unrestricted funds</b>					
Designated funds		484	4,331	484	4,331
General funds		18,666	14,553	19,274	14,984
		<b>110,156</b>	<b>109,628</b>	<b>110,764</b>	<b>110,060</b>

The financial statements were approved and authorised for issue by the Governing Body of Brasenose College

on:

Prof Alan Bowman, Principal and Trustee

Mr Philip Paker, Bursar and Trustee

**Brasenose College**  
**Consolidated Cash Flow Statement**  
**For the year ended 31 July 2012**

	Notes	2012 Group £'000	2011 Group £'000
<b>Net cash inflow/(outflow) from operations</b>	25	<b>(2,160)</b>	<b>(2,605)</b>
<b>Returns on investments and servicing of finance</b>			
Income from investments		2,080	2,046
Finance costs paid		(416)	(413)
		<b>1,664</b>	<b>1,633</b>
<b>Capital expenditure and financial investment</b>			
New endowment capital received		1,735	433
Payments for tangible fixed assets		(4,247)	(2,178)
Proceeds from sales of tangible fixed assets		405	0
Payments for investments		(15,441)	(18,693)
Proceeds from sales of investments		16,035	21,231
		<b>(1,513)</b>	<b>793</b>
<b>Management of liquid resources</b>			
Net (additions to) / withdrawals from term deposits		733	1,378
Net (purchase) / sale of current asset investments		0	0
		<b>733</b>	<b>1,378</b>
<b>Increase/(decrease) in cash in the year</b>		<b>(1,276)</b>	<b>1,199</b>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Increase/(decrease) in cash in the year		(1,276)	1,199
Transfers to/(from) term deposits and current investments		(733)	(1,378)
(Increase)/decrease in loan and lease finance		0	0
<b>Change in cash position</b>		<b>(2,009)</b>	<b>(179)</b>
<b>Net funds at 1 August</b>		<b>(1,033)</b>	<b>(854)</b>
<b>Net funds at 31 July</b>		<b>(3,042)</b>	<b>(1,033)</b>

**Brasenose College**  
**Notes to the financial statements**  
**For the year ended 31 July 2012**

**1 INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2012 Total £'000	2011 Total £'000
<b>Teaching, research and residential</b>					
Tuition fees - UK and EU students	1,207	0	0	1,207	1,170
Tuition fees - Overseas students	426	0	0	426	345
Other fees	49	0	0	49	50
Other HEFCE support	277	0	0	277	336
Other academic income	357	0	0	357	271
College residential income	2,808	0	0	2,808	2,632
	<u>5,124</u>	<u>0</u>	<u>0</u>	<u>5,124</u>	<u>4,804</u>

The above analysis includes £1,426k received from Oxford University under the CFF Scheme, net of College fees received directly (2010 - £1,567k)

**2 TRADING INCOME**

	2012 £'000	2011 £'000
Subsidiary company trading income	48	24
Other trading income	0	10
	<u>48</u>	<u>34</u>

**3 INVESTMENT INCOME**

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2012 Total £'000	2011 Total £'000
Agricultural rent	0	0	138	138	150
Commercial rent	0	0	706	706	622
Other property income	0	0	51	51	39
Equity dividends	2	0	1,088	1,090	1,110
Income from fixed interest stocks	0	0	0	0	1
Interest on fixed term deposits and cash	0	0	2	2	0
	<u>2</u>	<u>0</u>	<u>1,984</u>	<u>1,986</u>	<u>1,922</u>

**4 BANK AND OTHER INTEREST INCOME**

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2012 Total £'000	2011 Total £'000
Bank interest	78	0	0	78	110
Other interest	15	0	0	15	14
	<u>94</u>	<u>0</u>	<u>0</u>	<u>94</u>	<u>124</u>

**Brasenose College**  
**Notes to the financial statements**  
**For the year ended 31 July 2012**

**5 ANALYSIS OF RESOURCES EXPENDED**

	Direct staff costs £'000	Other direct costs £'000	Support costs £'000	2012 Total £'000	2011 Total £'000
<b>Costs of generating funds</b>					
Fundraising	265	147	41	453	420
Trading expenditure	0	9	16	25	0
Investment management costs	24	105	8	137	85
<b>Total costs of generating funds</b>	<b>289</b>	<b>261</b>	<b>65</b>	<b>615</b>	<b>505</b>
<b>Charitable expenditure</b>					
Teaching and research	4,043	2,632	1,798	8,473	8,237
<b>Total charitable expenditure</b>	<b>4,043</b>	<b>2,632</b>	<b>1,798</b>	<b>8,473</b>	<b>8,237</b>
<b>Governance costs</b>	<b>0</b>	<b>21</b>	<b>0</b>	<b>21</b>	<b>28</b>
<b>Total resources expended</b>	<b>4,332</b>	<b>2,914</b>	<b>1,862</b>	<b>9,108</b>	<b>8,770</b>

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 £82k (2011 - £103k).

**6 SUPPORT COSTS**

	Generating Funds £'000	Teaching, research & residential £'000	Governance £'000	2012 Total £'000	2011 Total £'000
Financial and domestic admin	32	469	0	500	565
Human resources	5	103	0	108	78
IT	27	178	0	205	172
Depreciation	1	632	0	634	531
Bank interest payable	0	416	0	416	413
	<b>65</b>	<b>1,798</b>	<b>0</b>	<b>1,862</b>	<b>1,759</b>

Finance and administration, IT and Human Resources 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.

Interest and other finance charges are attributed according to the purpose of the related financing.

**7 GRANTS AND AWARDS**

	Unrestricted Funds £'000	Restricted Funds £'000	2012 Total £'000	2011 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	64	189	253	240
Bursaries and hardship awards	168	10	178	158
Grants to other institutions	0	88	88	0
	<b>232</b>	<b>287</b>	<b>519</b>	<b>398</b>

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

**Brasenose College**  
**Notes to the financial statements**  
**For the year ended 31 July 2012**

**8 GOVERNANCE COSTS**

	2012	2011
	£'000	£'000
<b>Governance costs comprise:</b>		
Auditor's remuneration - audit services	21	28
Auditor's remuneration - other services	0	0
Legal and other fees on constitutional matters	0	0
Other governance costs	0	0
	<b>21</b>	<b>28</b>

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 or the generation of funds. Details of the remuneration of the Fellows and their reimbursed expenses are included as a separate note within these financial statements.

**9 STAFF COSTS**

	2012	2011
	£'000	£'000
The aggregate payroll costs for the year were as follows.		
Salaries and wages	3,998	3,942
Social security costs	289	282
Pension costs	524	548
Other benefits	72	74
	<b>4,883</b>	<b>4,846</b>

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

	2012	2011
Tuition and research	27	25
College residential	78	86
Public worship		
Heritage		
Fundraising	4	4
Support	11	9
Total	<b>120</b>	<b>124</b>

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

	2012	2011
University Lecturers	16	17
CUF Lecturers	11	13
Other teaching and research	3	2
Other	3	4
Total	<b>33</b>	<b>36</b>

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 employees (excluding the College Trustees) during the year whose gross pay and benefits (excluding employer NI and pension contributions) fell within the following bands was:

£60,001-£70,000	2	2
£70,001-£80,000	1	0

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

In defined benefits schemes		
In defined contribution schemes	118	119

The College contributions to defined contribution pension schemes totalled	<b>£524,178</b>	<b>£510,000</b>
--	-----------------	-----------------

**Brasenose College**  
**Notes to the financial statements**  
**For the year ended 31 July 2012**

**10 TANGIBLE FIXED ASSETS**

Group	Freehold land and buildings £'000	Plant and Machinery £'000	Fixtures, Fittings and Equipment £'000	Total £'000
<b>Cost</b>				
At start of year	26,660	184	1,008	27,852
Additions	3,275	901	73	4,249
Disposals	0	0	(343)	(343)
<b>At end of year</b>	<b>29,935</b>	<b>1,085</b>	<b>738</b>	<b>31,758</b>
<b>Depreciation</b>				
At start of year	5,599	15	985	6,599
Charge for the year	506	54	73	633
On disposals	0	0	(343)	(343)
<b>At end of year</b>	<b>6,105</b>	<b>69</b>	<b>715</b>	<b>6,889</b>
<b>Net book value</b>				
<b>At end of year</b>	<b>23,830</b>	<b>1,016</b>	<b>23</b>	<b>24,869</b>
At start of year	21,061	169	23	21,254
<b>College</b>				
	Freehold land and buildings £'000	Plant and Machinery £'000	Fixtures, Fittings and Equipment £'000	Total £'000
<b>Cost</b>				
At start of year	26,889	184	1,008	28,081
Additions	3,458	901	73	4,432
Disposals	0	0	(343)	(343)
<b>At end of year</b>	<b>30,347</b>	<b>1,085</b>	<b>738</b>	<b>32,170</b>
<b>Depreciation</b>				
At start of year	5,599	15	985	6,599
Charge for the year	506	54	73	633
On disposals	0	0	(343)	(343)
<b>At end of year</b>	<b>6,105</b>	<b>69</b>	<b>715</b>	<b>6,889</b>
<b>Net book value</b>				
<b>At end of year</b>	<b>24,242</b>	<b>1,016</b>	<b>23</b>	<b>25,281</b>
At start of year	21,290	169	23	21,482

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 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.

**Brasenose College**  
**Notes to the financial statements**  
**For the year ended 31 July 2012**

**11 PROPERTY INVESTMENTS**

Group and College	Agricultural £'000	Commercial £'000	Other £'000	2012 Total £'000	2011 Total £'000
Valuation at start of year	12,668	9,991	1,890	24,549	23,444
Additions and improvements at cost	105	12	15	132	174
Disposals net proceeds	(292)	(20)	(93)	(405)	0
Revaluation gains/(losses) in the year	787	346	85	1,218	931
<b>Valuation at end of year</b>	<b>13,268</b>	<b>10,329</b>	<b>1,897</b>	<b>25,494</b>	<b>24,549</b>

A formal valuation of the agricultural properties was prepared by Savills as at 31 July 2010. This valuation was updated to 31 July 2012 based on information supplied by the College's Land Agent, Mr PJ Cooper FRICS.

A formal valuation of the commercial and other properties was prepared by Cluttons as at 31 July 2010. This valuation was updated to 31 July 2012 by the College's Land Agent, Mr PJ Cooper FRICS.

**12 SECURITIES AND OTHER INVESTMENTS**

	2012 £'000	2011 £'000
<b>Group investments</b>		
Valuation at start of year	62,976	58,662
New money invested	15,309	18,446
Amounts withdrawn	(16,035)	(21,231)
Investment management fees	0	74
(Decrease)/increase in value of investments	(1,388)	7,025
<b>Group investments at end of year</b>	<b>60,862</b>	<b>62,976</b>
Investment in subsidiaries	200	0
<b>College investments at end of year</b>	<b>61,062</b>	<b>62,976</b>

Group investments comprise:	Held outside the UK £'000	Held in the UK £'000	2012 Total £'000	2011 Total £'000
Equity investments	8,941	41,002	49,943	52,573
Global multi-asset funds	9,284	0	9,284	8,445
Property funds	0	1,635	1,635	1,958
<b>Total group investments</b>	<b>18,225</b>	<b>42,637</b>	<b>60,862</b>	<b>62,976</b>

Group investments include £14,260k of unlisted investments valued as at 30th June 2012. These investments are illiquid, and the June valuation is considered to provide an adequate estimate of value as at July.

**Brasenose College**  
**Notes to the financial statements**  
**For the year ended 31 July 2012**

**13 SUBSIDIARY UNDERTAKINGS**

The College holds 100% of the issued share capital in Brasenose Limited, a company providing construction design and build and other trading services to the College.

The results of the subsidiary and its assets and liabilities at the year end were as follows.	Brasenose Ltd £'000
Turnover	4,201
Expenditure	(4,008)
Donation to College under gift aid	(193)
Result for the year	<u>0</u>
Total assets	311
Total liabilities	(311)
Net funds at the end of year	<u>0</u>

**14 STATEMENT OF INVESTMENT TOTAL RETURN**

The Trustees have adopted a policy of total return accounting for the College investment returns with effect from 1/8/02. The investment return to be applied as income is calculated as 3.75% of the average closing value of the investments in each of the last five years. For donations to the endowment received within this five year period, income is calculated as 3.75% of the amount received.

The preserved value of the invested endowment capital represents its open market value.

in 2002 together with all subsequent endowments valued at date of gift.

	Permanent Endowment £'000	Expendable Endowment £'000	Total £'000
<b>Investment total return</b>			
Income distributions	1,797	173	<b>1,970</b>
Capital gains/losses	39	(210)	<b>(171)</b>
Investment management costs	(138)	0	<b>(138)</b>
Total return for the year	<u>1,698</u>	<u>(37)</u>	<u><b>1,661</b></u>
Amount applied as income for spending	<u>(2,938)</u>	<u>(195)</u>	<u><b>(3,133)</b></u>
Net increase in Unapplied Total Return in the year	(1,240)		
Unapplied Total Return at start of year	32,243		
<b>Unapplied Total Return at end of year</b>	<u><b>31,003</b></u>		
<b>Preserved value of original permanent endowments</b>	<u><b>50,314</b></u>		

**15 DEBTORS**

	2012 Group £'000	2011 Group £'000	2012 College £'000	2011 College £'000
<b>Amounts falling due within one year:</b>				
Trade debtors	315	225	306	225
Amounts owed by College members	78	68	78	68
Amounts owed by Group undertakings	0	0	291	271
Loans repayable within one year	11	12	11	12
Prepayments and accrued income	767	689	767	689
Other Debtors	21	0	21	0
<b>Amounts falling due after more than one year:</b>				
Loans	1,513	1,537	1,513	1,537
	<u><b>2,705</b></u>	<u>2,531</u>	<u><b>2,987</b></u>	<u>2,802</u>

**Brasenose College**  
**Notes to the financial statements**  
**For the year ended 31 July 2012**

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

	2012 Group £'000	2011 Group £'000	2012 College £'000	2011 College £'000
Trade creditors	207	244	207	201
Amounts owed to College Members	0	33	0	33
Taxation and social security	34	57	83	83
College contribution	90	95	90	95
Accruals and deferred income	533	355	513	351
Other creditors	89	57	89	57
	<b>953</b>	<b>841</b>	<b>982</b>	<b>820</b>

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

	2012 Group £'000	2011 Group £'000	2012 College £'000	2011 College £'000
Bank loans	9,000	9,000	9,000	9,000
	<b>9,000</b>	<b>9,000</b>	<b>9,000</b>	<b>9,000</b>

In 2009 the College took out a bank loan at 4.588% fixed rate repayable in 2049. The College is investing each year in a designated fund to contribute to repayment of this loan in 2049.

**18 PROVISIONS FOR LIABILITIES AND CHARGES**

There are no provisions for liabilities and charges at the year end, or the prior year end.

**19 FUNDS OF THE COLLEGE MOVEMENTS**

	At 1 August 2011 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2012 £'000
<b>Endowment Funds - Permanent</b>						
Permanent Endowment Fund	69,720	1,461	(138)	(2,589)	418	68,872
Hulme Capital Fund	4,256	114		(114)	(138)	4,118
Grimbaldson Capital Fund	2,513	67		(67)	(82)	2,431
Somerset Thornhill Capital Fund	779	21		(21)	(25)	754
Tutorial Fellowship Fund	703	15		(24)	0	694
Germaine Capital Fund	700	19		(19)	(23)	677
Humphries Capital Fund	565	15		(15)	(18)	546
Heath Harrison Cap Fund (1907&1925)	475	13		(13)	(15)	459
Lucas Bequest Capital Fund	361	10		(10)	(12)	349
Somerset Iver Capital Fund	353	9		(9)	(11)	341
Watson, John Capital Fund	321	9		(9)	(10)	310
Kwai Cheong Graduate Studentship Fund	274	6		(9)	0	271
Collins Capital Fund	274	7		(7)	(9)	265
Undergraduate Bursary Fund	100	102		(4)	0	198
Jeffery Bequest (Mod Hist) Capital Fund	109	3		(3)	(4)	106
Profumo Capital Fund	77	2		(2)	(2)	74
23 Other Funds for General Purposes	880	24	0	(24)	(29)	851
	<b>82,458</b>	<b>1,897</b>	<b>(138)</b>	<b>(2,938)</b>	<b>39</b>	<b>81,317</b>

**Brasenose College**  
**Notes to the financial statements**  
**For the year ended 31 July 2012**

	At 1 August 2011 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2012 £'000
<b>Endowment Funds - Expendable</b>						
Hector Pilling Capital Fund	953	26		(26)	(31)	922
Stallybrass Bequest Capital Fund	926	25		(25)	(30)	896
Trust Fund Surplus Income Capital Fund	893	24		(24)	(29)	864
Fiddian Capital Fund	871	23		(23)	(28)	842
Roger Thomas Bequest Cap Fund	792	21		(21)	(26)	767
Bedford Capital Fund	716	11		(11)	(14)	702
Curran Capital Fund	465	12		(12)	(15)	449
Stallybrass Memorial Capital Fund	410	11		(11)	(13)	396
Peters Capital Fund	310	8		(8)	(10)	300
Economics Fellowship Capital Fund	618	200		(22)	0	796
Cashmore Capital Fund	0	248			0	248
Garrick Law Fellowship Capital Fund	0	1,200			0	1,200
Various Funds for General Purposes	513	11	0	(11)	(13)	499
	<b>7,467</b>	<b>1,821</b>	<b>0</b>	<b>(195)</b>	<b>(210)</b>	<b>8,884</b>
<b>Total Endowment Funds</b>	<b>89,925</b>	<b>3,718</b>	<b>(138)</b>	<b>(3,133)</b>	<b>(171)</b>	<b>90,201</b>
<b>Restricted Funds</b>						
Deferred Capital Fund	301		(7)			294
Fiddian Income Fund	147		(43)	23		128
Germaine Income Fund	50		(50)	19		18
Hector Pilling Income Fund	44		(33)	26		37
Peter Moores Chinese Bus Stud Fund	24	33	(45)			12
Restricted Campaign Fund	67	60	(38)	2		90
Barry Nicholas Income Fund	25		(4)			21
Student Support Annual Fund	-3	69	(66)			(0)
Tanner Trust Fund	51	29	(79)			0
8 funds for Student Support	22	0	(9)	14		23
2 funds to support Archive and Library	40	9	(14)	1		36
5 funds to support Tutorial Fellowships	36	0	(19)	68		86
Other minor funds	15	55	(11)	(9)		51
<b>Total Restricted Funds</b>	<b>819</b>	<b>255</b>	<b>(414)</b>	<b>143</b>	<b>0</b>	<b>803</b>
<b>Unrestricted Funds</b>						
General Reserve	14,553	5,596	(8,558)	7,072	2	18,665
Designated Building Reserve Fund	4,053			(3,943)		110
Hulme Income Fund	0	58	(3)	(55)		0
Bedford Income Fund	38			11		49
Benefactions Income Fund	1			2		3
Benefits Income Fund	5					5
BNC Charitable History Income Fund	13					13
BNC Charitable Law Income Fund	92					92
Brasenose Scholarship Income Fund	18					18
Junior Research Income Fund	48					48
Library Special Income Fund	22					22
Michael Woods Income Fund	13		(1)			12
Reynolds Prize Inc Fund	3			0		3
Roger Thomas Bequest Income Fund	18			21		39
Thomas & Jones Inc Fund	5			0		6
Unrestricted Annual Fund	0	135		(135)		0
Unrestricted Campaign Fund	0	46		(46)		0
BNC Australia Scholarship	0			62		62
<b>Total Designated Reserves</b>	<b>4,331</b>	<b>239</b>	<b>(4)</b>	<b>(4,082)</b>	<b>0</b>	<b>484</b>
<b>Total Unrestricted Funds</b>	<b>18,884</b>	<b>5,835</b>	<b>(8,559)</b>	<b>2,990</b>	<b>2</b>	<b>19,152</b>
<b>Total Funds</b>	<b>109,628</b>	<b>9,807</b>	<b>(9,110)</b>	<b>0</b>	<b>(169)</b>	<b>110,157</b>

**Brasenose College**  
**Notes to the financial statements**  
**For the year ended 31 July 2012**

**20 FUNDS OF THE COLLEGE DETAILS**

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

**Endowment Funds - Permanent:**

**Permanent Endowment Fund**

A consolidation of gifts and donations which comprise the historic endowment of the College, and which the Governing Body considers to be permanent endowment

**Hulme Capital Fund**

Capital balance of past donations from the Hulme (Educational) Trust in Manchester, which are given for the general purposes of the College

**Grimbaldson Capital Fund**

A consolidation of gifts and donations

**Somerset Thornhill Capital Fund**

1686 capital balance of past donations for general purposes

**Tutorial Fellowship Fund**

A 2009/10 fund in support of Tutorial Fellowships.

**Germaine Capital Fund**

1972 Will Trust Fund to support scholarships for Home/EU graduates

**Humphries Capital Fund**

1952 Will Trust Fund to support scholarships

**Heath Harrison Capital Fund**

Capital balance of a past donation to support the general purposes of the College

**Lucas Bequest Capital Fund**

To support a Junior Research Fellow/research activities

**Somerset Iver Capital Fund**

1686 for general purposes

**Watson, John Capital Fund**

1899 for general purposes

**Kwai Cheong Graduate Studentship Fd**

2009/10 to fund a Dphil studentship for a student preferably from China

**Collins Capital Fund**

1939 for general purposes

**Undergraduate Bursary Fund**

A 2010/11 to support undergraduate bursaries

**Jeffery Bequest Capital Fund**

1975 to support the publication of learned works, and/or an exhibition in History

**Profumo Capital Fund**

1940 to support extra-curricular activities of undergraduates of educational benefit

**Endowment Funds - Expendable:**

**Hector Pilling Capital Fund**

1988 to support graduate scholarships/studentships preferably RAF/Commonwealth

**Stallybrass Bequest Capital Fund**

1948 to support the teaching of law

**Trust Fund Surplus Income Capital Fd**

Capitalised balance of past surplus income for general purposes

**Fiddian Capital Fund**

For the support of undergraduate/graduate students from Monmouth/Haberdashers Schools

**Roger Thomas Bequest Capital Fund**

For the furtherance of education

**Bedford Capital Fund**

1996 bequest for general purposes

**Curran Capital Fund**

1965 supports the Curran Tutor in Physiology

**Stallybrass Memorial Capital Fund**

Consolidation of donations raised by the Brasenose Society in 1949, for general purposes

**Peters Capital Fund**

For general purposes

**Barton Economics Fellowship Fund**

For the endowment of a Fellowship in economics

**Cashmore Fund**

Valedictory fund in name of former Principal

**Garrick Law Fellowship Fund**

For the endowment of a Fellowship in law

**Dix Capital Fund**

1999 bequest for general purposes

**Barry Nicholas Capital Fund**

Anonymous donation in memory of former Principal to support a graduate law scholar intending to practise at the bar of England & Wales

**Restricted Funds:**

**Deferred Capital Fund**

This fund is amortised over the life time of the relevant capital asset

**Peter Moores Fund**

An income fund which supports the post of the Tutor in Chinese Management Studies.

**Restricted Campaign Fund**

The underlying endowment funds are held by the University.

**Student Support Annual Fund**

A consolidation of recent donations for restricted purposes

**Tanner Trust Fund**

Regular giving by alumni in support of grant funding to individual students

**Various Income Funds**

Charitable donations from the University of Utah, in support of the Tanner Lectures

For details of the fund which generates income for the related Restricted Income Fund, see the endowment fund above.

**Designated Funds**

**Fixed asset designated**

Unrestricted Funds which were set aside in order to provide reserve funding for future building projects of the College

**BNC Australia**

Funds raised and set aside to match-fund the Oxford Australia Scholarship programme

**Various**

The College has designated funds for a variety of purposes, which are currently under review

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

The Designated Building Reserve Fund represents funds set aside for the completion of the current building works.

**Brasenose College**  
**Notes to the financial statements**  
**For the year ended 31 July 2012**

**21 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total £'000	2011 Unrestricted Funds £'000
Tangible fixed assets	24,569	301	0	<b>24,870</b>	21,254
Property investments	0	0	25,497	<b>25,497</b>	24,549
Securities and other investments	58	0	60,804	<b>60,862</b>	62,976
Net current assets	3,526	502	3,900	<b>7,928</b>	9,920
Creditor > 1 yr	(9,000)	0	0	<b>(9,000)</b>	(9,000)
	<b>19,152</b>	<b>803</b>	<b>90,201</b>	<b>110,156</b>	<b>109,700</b>

**22 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 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 College has a Remuneration Committee which considers remuneration for all members of Governing Body.

Trustees of the college fall into the following categories:

**The Principal**

Official Fellows, who either undertake teaching and research duties under the terms of their contract of employment with the College or who are Officers of the College.

**Professorial Fellows**

Those Supernumerary Fellows who have been elected to Governing Body.

The Principal and Official Fellows are eligible for the college Assisted Housing scheme. 16 Fellows participated in the scheme during the year. 3 trustees live in houses owned by the college. Those not living in college property receive a housing allowance, which is included within the salary figures in the bandings below.

Some trustees receive additional allowances for additional work carried out as part time college officers (such as Dean, Tutor for Graduates, Vice Principal, Fellow Librarian). These amounts are included within the remuneration figures below. The total remuneration and taxable benefits as shown below is £1,172k (2009-10 £1,237k). The total of pension contributions is £161k (2009-10 £181k).

**Brasenose College**  
**Notes to the financial statements**  
**For the year ended 31 July 2012**

**Remuneration paid to trustees**

Range	2011-2012		2010-2011	
	Number of trustees	Gross remuneration, taxable benefits and pension contributions	Number of trustees	Gross remuneration, taxable benefits and pension contributions
		£		£
£1,000-£1,999	3	4,822	1	1,627
£2,000-£2,999			1	2,127
£9,000-£9,999	2	19,042		
£11,000-£11,999	1	11,263	1	6,792
£19,000-£19,999	1	19,486	1	19,461
£20,000-£20,999	3	61,617	3	61,681
£21,000-£21,999	2	43,485	3	64,889
£22,000-£22,999	3	67,770	2	45,661
£23,000-£23,999	2	46,543	2	46,451
£24,000-£24,999	4	97,702	4	97,222
£27,000-£27,999			2	55,411
£28,000-£28,999	1	28,173		
£30,000-£30,999	2	61,118	3	91,056
£32,000-£32,999	2	65,499	2	65,338
£35,000-£35,999	1	35,212		
£39,000-£39,999	1	39,616		
£40,000-£40,999			1	40,381
£46,000-£46,999			1	46,171
£47,000-£47,999	1	47,524		
£49,000-£49,999	1	49,650	1	49,837
£50,000-£50,999	1	50,683	2	100,644
£51,000-£51,999	1	51,919		
£52,000-£52,999	1	52,650	2	104,897
£53,000-£53,999	1	53,773	1	53,575
£55,000-£55,999	1	55,131		
£57,000-£57,999			1	57,846
£58,000-£58,999	1	58,418	1	
£59,000-£59,999			1	59,345
£70,000-£70,999			1	70,220
£76,000-£76,999			1	76,036
£82,000-£82,999	1	82,906		
£87,000-£87,999	1	87,144		
£96,000-£96,999	1	96,145		
£116,000-£116,999			1	116,510
	<u>39</u>	<u>1,287,291</u>	<u>39</u>	<u>1,333,178</u>

6 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. The taxable value is included in the banded remuneration figures above.

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

**Trustee expenses**

4 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 £1,033 (2010-11 £486).

**Other transactions with trustees**

The spouse of one member of Governing Body, who was employed by the College through a normal recruitment process for two terms, was paid remuneration within the band £10,000-£10,999 in the year.

**Brasenose College**  
**Notes to the financial statements**  
**For the year ended 31 July 2012**

**23 PENSION SCHEMES**

The College participates in the Universities Superannuation Scheme ("the USS") and the University of Oxford Staff Pension Scheme ("the OSPS") on behalf its staff. Both schemes are contributory defined benefit schemes (i.e. they provide benefits 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 September 2005 the government introduced legislation that an employer may not withdraw from a multi-employer scheme without funding (to a specified level) its share of any pension liability in the scheme. The funding level specified is the amount required to buy-out the liabilities with an insurance company, and is commonly known as the 'buy-out debt' or 'section 75 debt'. The buy-out debt is a more onerous funding requirement than the scheme's own cautious assumptions and the sums involved can be very substantial.

The USS actuarial valuation as at 31st March 2011 identified a funding deficit of £2,910m. The USS Joint Negotiating Committee has proposed, and USS has implemented with effect from 1st October 2011, a package of changes, including the admission of new members into a Career Revalued Benefits section. The changes are required to ensure the future sustainability of the Scheme. Further details about the changes may be reviewed on the USS website, [www.uss.co.uk](http://www.uss.co.uk). After allowing for these changes, the actuary established a long term employer contribution rate of 12.6% of total pensionable salaries for the 2011/12 year, reducing over time. USS agreed with Universities UK, on behalf of all employers participating in the scheme, to address the deficit by continuing the employer contribution rate at the previously agreed rate of 16% of total pensionable salaries (this being the rate paid by the employers since 1st October 2009) until 31st March 2017, following which the employers will pay an additional 2% of salaries in excess of the blended employer future service cost of accruals. The actuary has certified that the additional contribution should eliminate the deficit by 31st March 2021.

The OSPS actuarial valuation as at 31st March 2010 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 1st August 2008). The actuary has certified that the additional contribution should eliminate the deficit by 31st March 2027. In addition, the University has agreed to close the scheme to future final salary accrual, transferring all members on to a Career Revalued benefits structure with effect from 1st January 2013. Further details may be seen on the Scheme's website, [www.admin.ox.ac.uk/finance/pensions/osps/](http://www.admin.ox.ac.uk/finance/pensions/osps/).

The pension charge for the year includes contributions payable to USS of £277k (2011 - £274k) and contributions payable to OSPS of £233k (2011 - £236k).

**24 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 profits made in the year have been set off against available losses. Accordingly, no provision for taxation has been included in the financial statements.

**25 RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH FLOW FROM OPERATIONS**

	2012 £'000	2011 £'000
<b>Net incoming resources for the year</b>	<b>697</b>	<b>(810)</b>
Elimination of non-operating cash flows:		
- Investment income	(2,080)	(2,046)
- Endowment donations	(1,734)	(433)
- Financing costs	416	413
Depreciation	633	531
Decrease/(Increase) in stock	(30)	0
Decrease/(Increase) in debtors	(174)	108
(Decrease)/Increase in creditors	112	(367)
<b>Net cash inflow/(outflow) from operations</b>	<b>(2,160)</b>	<b>(2,605)</b>

**Brasenose College**  
**Notes to the financial statements**  
**For the year ended 31 July 2012**

**26 ANALYSIS OF CHANGES IN NET FUNDS**

	2011 £'000	Cash flow £'000	2012 £'000
Cash at bank and in hand	2,834	(1,277)	1,557
	<u>2,834</u>	<u>(1,277)</u>	<u>1,557</u>
Deposits and other short term investments	5,133	(733)	4,400
Bank loans due after one year	(9,000)	0	(9,000)
	<u>(1,033)</u>	<u>(2,010)</u>	<u>(3,043)</u>

**27 FINANCIAL COMMITMENTS**

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

**28 CAPITAL COMMITMENTS**

The College had committed capital of £110k outstanding at 31 July 2012 in relation to the retention due on a major capital project completed in the year. At 31 July 2011 capital commitments of £4,053k were outstanding in relation to this same project.

**29 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.

16 trustees had loans outstanding from the College, under the Assisted Housing Scheme, at the start and/or the end of the year, with a total value of £1,537k (y/e 2010 £1,471k).

The number of loans outstanding at 31 July with the balances in the following bands were as follows:

	2012 £'000	2011 £'000
£36,000-£36,999	1	0
£60,000-£60,999	0	1
£99,000-£99,999	1	0
£100,000-£100,999	3	4
£103,000-£103,999	2	2
£104,000-£104,999	2	2
£107,000-£107,999	3	3
£110,000-£110,999	1	1
£115,000-£115,999	1	1
£116,000-£116,999	1	1

All loans are repayable when the borrower ceases to be an Official Fellow of the College, and are secured on the property.

**30 CONTINGENT LIABILITIES**

There are no contingent liabilities as at 31 July 2012 or 31 July 2011.

**31 POST BALANCE SHEET EVENTS**

There are no post balance sheet events to report.

