

**HARRIS MANCHESTER COLLEGE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JULY 2012**

## **HARRIS MANCHESTER COLLEGE**

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**Harris Manchester College**  
**Officers and Advisers**  
**For the 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 in office as Governors during the year or subsequently are detailed below.

		-1	-2	-3		
Dr Alex Nicholls						
Mrs Annette Duffell		√	√			
Dr Bee Wee						
Dr Bill Mander		√				
Mr Brian Fidler			√	√		
Professor David Matthews						
Dr Eric Eve						
Mr George Hudson			√			
Dr Isabel Ruiz	(appointed 01/10/11)		√			
Dr John Sloan						
Mrs Judith Nisbet	(retired Sept 2011)	√				
Victoria Lill	(appointed Sept 2011)	√				
Dr Lesley Smith		√				
Mrs Louise Gullifer						
Professor Patrik Rorsman						
Professor Richard Hobbs	(appointed 22/06/11)					
Mrs Susan Killoran		√				
Professor Sue Llewelyn						
Professor Terezinha Nunes						
Rev Arthur Stewart						
Dr Bernd Wannenwetsch	(resigned Sept 2011)					
Canon Rev John Ovenden	(appointed Oct 2012)					
Dr Joshua Horden	(appointed Oct 2012)					
Dr Ralph Waller		√	√			

During the year the activities of the Governing Body were carried out through three committees. The current membership of these committees is shown above for each Fellow.

- 1 Management Committee
- 2 Investment Committee
- 3 Remuneration Committee

**Harris Manchester College**  
**Officers and Advisers**  
**For the year ended 31 July 2012**

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**COLLEGE SENIOR STAFF**

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

Principal	<i>Ralph Waller</i>
Bursar	<i>Annette Duffell</i>
Senior Tutor	<i>Lesley Smith</i>
Academic Administrator	<i>Victoria Lill</i>

**COLLEGE ADVISERS:**

**Auditor**

Shaw Gibbs LLP  
Chartered Certified Accountants & Statutory Auditor  
264 Banbury Road  
Oxford  
OX2 7DY

**Bankers**

National Westminster Bank  
121 High Street  
Oxford  
OX1 4DD

**Solicitors**

Manches LLP  
9400 Garsington Road  
Oxford Business Park  
Oxford  
OX4 2HN

**College Address**

Mansfield Road,  
Oxford,  
OX1 3TD

**Website**

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

**Harris Manchester College**  
**Report of the Governing Body**  
**For the year ended 31 July 2012**

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The members of the Governing Body of Harris Manchester College present their Annual Report for the year ended 31 July 2012 under the Charities Act 2011 together with the audited financial statements for the year.

**Reference and administrative information**

The Principal and Fellows of the Manchester Academy and Harris College in the University of Oxford' commonly known as Harris Manchester College, Oxford is a chartered charitable corporation. It was founded in 1786 and granted a Royal Charter by Queen Elizabeth II on 12<sup>th</sup> January 1996. The College has been registered with the Charities Commission since 26<sup>th</sup> July 2011 and its registered charity number is 1143087

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 1 to 2.

**Structure, Governance and Management**

**Governing documents**

The College is governed by its Charter and Statutes dated 12 January 1996

**Governing Body**

The Governing Body is constituted and regulated in accordance with the College's Charter and Statutes, the terms of which are enforceable by the Visitor, Sir Eric Anderson KT.

New members of the Governing Body are elected on the basis of their contribution to the College and the University of Oxford

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 regularly under the chairmanship of the Principal and is advised by three committees.

**Recruitment and training of Members of the Governing Body**

New Members of the Governing Body are recruited by new academic appointments or from existing Fellows and are inducted into the workings of the College, including Governing Body policy and procedures, by instruction

Members of the Governing Body attend external trustee training and information courses to keep them informed on current issues in the sector and on regulatory requirements.

**Organisational management**

The members of the Governing Body meet 9 times.

The work of developing their policies and monitoring the implementation of these is carried out by three Committees:

- The Investment Committee
- The Management Committee
- The Remuneration Committee

**Harris Manchester College  
Report of the Governing Body  
For the year ended 31 July 2012**

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**Group structure and relationships**

The College also administers two special trusts, Daniel Jones Trust and Samuel Jones Trust

The College has no subsidiary or associated undertakings.

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, chaired by the Principal. Financial risks are assessed by the Bursar and Governing Body and investment risks are monitored by the Investment Committee. The 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 College have given consideration to the major risks to which the College is 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 Governing Body is mindful of the long-standing requirement to provide public benefit and of the disclosure requirements of the Charities Act 2011. In this connection the Governing Body has monitored closely the general and supplemental guidance produced by the Charity Commission, in particular its public benefit guidance on advancement of education and on fee-charging.

The College's aims are:

- To advance learning, education and research in the arts and sciences within the University;
- To provide for men and women who shall be members of the University and from whom no test or confession of faith will be required:
  - i) A College in which they may work for degrees, diplomas and certificates of the University for the purpose of their engaging in advanced and other study and the conduct and publication of research; and
  - ii) Preparatory instruction for the learned professions and for civil and commercial life;
  - iii) A full and systematic course of education and training of Ministers of Religion, having regard especially to the Ministries of the General Assembly of Unitarian and Free Christian Churches in our United Kingdom and of the Non-Subscribing Presbyterian Church of Ireland
- To promote the Christian religion in its simplest and most intelligible form, and in particular the traditions of English Rational Dissent.

**Harris Manchester College  
Report of the Governing Body  
For the year ended 31 July 2012**

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**Activities and objectives of the College**

The College's principal activity, as specified in the Royal Charter is the teaching of undergraduate and postgraduate mature students of the University of Oxford

Other significant activities during the year have included:

- Undertaking of research in a wide range of subjects including medicine
- Running courses or providing course facilities for other educational institutions including local secondary schools and the Army Chaplains
- Holding English, Maths and Science days for teachers from Inner London Schools
- The use of the College chapel by an independent trust for regular services of public worship and for regular public concerts including Music at Oxford and those organised by the Director of Music.

Policy on and provision of bursary support: through the provision of scholarships, bursaries and hardship grants the college endeavours to assist any student for whom finance for their studies presents a problem. Each case is considered individually.

**Public benefit**

The College remains committed to the aim of providing public benefit in accordance with its founding principles.

**Achievements and Performance**

At the end of the academic year our undergraduate finalists achieved 5 first class and 23 upper second class degrees. Our post graduate students achieved 4 PGCE's, 4 MBA's, 3 MSt's including one Distinction, 7 MSc's including 1 Distinction, 24 Doctoral degrees, 1 MPhil, 1 MJuris, 1 Postgraduate Diploma, 1 BCL, and 4 qualified in medicine, 2 with Distinction.

3 of our Academic Fellows had books published during the year in their respective fields of study.

We have re-roofed part of the library and have planning permission approved for a new Clock Tower Building. We have continued to improve the College facilities.

**Harris Manchester College**  
**Report of the Governing Body**  
**For the year ended 31 July 2012**

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**FINANCIAL REVIEW**

The College ended the year with a surplus of £16k on unrestricted funds compared with a surplus of £5k in 2011. Income for the year was £2.19m (£1.96m in 2011) of which £1.61m was from charitable activities, £0.47m from legacies and donations and £0.11m from investments. Expenditure on charitable activities was £2.11m

**Reserves**

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.

The deficit on general reserves at the end of the year had increased to £(544)k, from £(555)k in 2011. The historic deficit arises from the accounting treatment of the College's fund balances on adoption of the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education, and excludes all specific funds relating to the endowment and deferred capital in relation to the previously titled 'Building Fund'.

Designated reserves at the year-end comprised £1.9m for future costs of replacement and maintenance of college functional buildings and includes the value of fixed assets of the College purchased out of general reserves

**Investment policy, objectives and performance**

The College's investment objectives are to balance current and future beneficiary needs by:

- maintaining (at least) the value of the investments in real terms;
- producing a consistent and sustainable amount to support expenditure; and
- delivering these objectives within acceptable levels of risk.

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. In line with this approach, the College's statutes allow the College to invest permanent endowments to maximise the related total return and to make available for expenditure each year an appropriate proportion of the unapplied total return.

The investment strategy, policy and performance is monitored by the Investment Committee. At the year end, the College's long term investments, combining the securities and property investments totalled £5.879m.

Under the total return accounting basis, it is the Governing Body's policy to extract as income up to 4% of the value of the relevant investments at the year end.

**FUTURE PLANS**

The College's future plans as agreed by the Governing Body are set out in the College Development Plan.

The core elements of this are:

- to continue to provide the best possible education for mature students of the University of Oxford
- to provide increased study space for tutors in order to increase the research community of the College
- to increase the number of rooms available for student residents and to continue with our programme of improving existing facilities
- to ensure through the provision of scholarships, bursaries and grants that finance is not a prohibitive factor in a student's decision to study at HMC.

Specific development plans have been agreed for the separate departments within the College to ensure that the College continues to enhance its ability to provide a first-class education.



**Harris Manchester College**  
**Report of the Governing Body**  
**For the year ended 31 July 2012**

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**STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES**

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

Charity law requires the Governing Body to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under charity law the Governing Body must not approve the financial statements unless they are satisfied that give a true and fair view of the state of affairs of the College and of its net incoming or outgoing resources for that period.

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

- select the most suitable accounting policies and then apply them consistently;
- make judgments and accounting 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; and
- 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 them to ensure that the financial statements comply with the Charities Act 2011. They are 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 28 November 2012 and signed on its behalf by:

Rev Dr R Waller  
Principal

Dr W J Mander  
Trustee

**Harris Manchester College**  
**Independent Auditors Report to the Members of the Governing Body**  
**For the year ended 31 July 2012**

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**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE  
GOVERNING BODY OF HARRIS MANCHESTER COLLEGE**

We have audited the financial statements of Harris Manchester College for the year ended 31 July 2012 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 numbered 1 to 28.

This report is made solely to the College's Governing Body, in accordance with the section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the Governing Body those matters we are required to state to it in an auditors' 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 College and the College's Governing Body, for our audit work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF THE GOVERNING BODY AND AUDITORS**

As explained more fully in the Statement of Accounting and Reporting Responsibilities, the Governing Body is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as 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 Ethical Standards for Auditors.

**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 charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Governing Body; and the overall presentation of the financial statements.

We read all the information in the Report of the Governing Body 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.

**Harris Manchester College**  
**Independent Auditors Report to the Members of the Governing Body**  
**For the year ended 31 July 2012**

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**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 2012 and of the group's incoming resources and application of resources 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 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 by the parent charity; or
- the financial statements are not in agreement with the accounting records and returns;
- we have not received all the information and explanations we require for our audit.

Shaw Gibbs LLP  
Statutory Auditor  
Chartered Certified Accountants  
264 Banbury Road  
Oxford  
OX2 7DY

30 November 2012

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

**Harris Manchester 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		1,535	77	0	1,612	1,347
Public worship		0	0	0	0	0
Heritage		0	0	0	0	0
		<u>1,535</u>	<u>77</u>	<u>0</u>	<u>1,612</u>	<u>1,347</u>
<b>Resources from generated funds</b>						
Legacies and donations		298	157	7	462	477
Trading income	2	4	0	0	4	4
Investment income	3	14	0	90	104	91
Bank and other interest	4	2	0	8	10	36
		<u>318</u>	<u>157</u>	<u>105</u>	<u>580</u>	<u>608</u>
<b>Other incoming resources</b>		0	0	0	0	0
<b>Total Incoming Resources</b>		<u>1,853</u>	<u>234</u>	<u>105</u>	<u>2,192</u>	<u>1,955</u>
<b>RESOURCES EXPENDED</b>						
<b>Cost of generating funds</b>	5					
Fundraising		76	0	0	76	72
Trading expenditure		0	0	0	0	0
Investment management costs		27	0	0	27	21
		<u>103</u>	<u>0</u>	<u>0</u>	<u>103</u>	<u>93</u>
<b>Charitable activities</b>	5					
Teaching and research		1,823	266	22	2,111	2,033
Public worship		0	0	0	0	0
Heritage		0	0	0	0	0
		<u>1,823</u>	<u>266</u>	<u>22</u>	<u>2,111</u>	<u>2,033</u>
<b>Governance costs</b>	8	12	0	0	12	9
<b>Total Resources Expended</b>		<u>1,938</u>	<u>266</u>	<u>22</u>	<u>2,226</u>	<u>2,135</u>
<b>Net incoming/(outgoing) resources before transfers</b>		(85)	(32)	83	(34)	(180)
Transfers between funds	17	101	119	(220)	0	0
<b>Net incoming/(outgoing) resources before other gains and losses</b>		<u>16</u>	<u>87</u>	<u>(137)</u>	<u>(34)</u>	<u>(180)</u>
Investment gains/(losses)		0	0	(249)	(249)	538
<b>Net movement in funds for the year</b>		<u>16</u>	<u>87</u>	<u>(386)</u>	<u>(283)</u>	<u>358</u>
Fund balances brought forward	17	1,356	4,805	6,265	12,426	12,068
<b>Funds carried forward at 31 July</b>	17	<u>1,372</u>	<u>4,892</u>	<u>5,879</u>	<u>12,143</u>	<u>12,426</u>

**Harris Manchester 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	6,570	6,212	6,570	6,212
Property investments	11	0	0	0	0
Securities and other investments	12	5,879	6,265	5,879	6,265
		<b>12,449</b>	<b>12,477</b>	<b>12,449</b>	<b>12,477</b>
<b>CURRENT ASSETS</b>					
Stocks		15	14	15	14
Debtors	13	161	157	161	157
Deposits and other short term investments		0	0	0	0
Cash at bank and in hand		520	730	520	730
		<b>696</b>	<b>901</b>	<b>696</b>	<b>901</b>
<b>CREDITORS: falling due within one year</b>	14	<b>682</b>	<b>612</b>	<b>682</b>	<b>612</b>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<b>14</b>	<b>289</b>	<b>14</b>	<b>289</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>12,463</b>	<b>12,766</b>	<b>12,463</b>	<b>12,766</b>
<b>CREDITORS: falling due after more than one year</b>	15	<b>320</b>	<b>340</b>	<b>320</b>	<b>340</b>
<b>Provisions for liabilities and charges</b>	16	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NET ASSETS</b>		<b>12,143</b>	<b>12,426</b>	<b>12,143</b>	<b>12,426</b>
<b>FUNDS OF THE COLLEGE</b>					
	17				
<b>Endowment funds</b>		<b>5,879</b>	<b>6,265</b>	<b>5,879</b>	<b>6,265</b>
<b>Restricted funds</b>		<b>4,892</b>	<b>4,805</b>	<b>4,892</b>	<b>4,805</b>
<b>Unrestricted funds</b>					
Designated funds		1,916	1,911	1,916	1,911
General funds		(544)	(555)	(544)	(555)
		<b>12,143</b>	<b>12,426</b>	<b>12,143</b>	<b>12,426</b>

*The financial statements were approved and authorised for issue by the Governing Body of Harris Manchester College on: 28 November 2012*

Rev Dr R Waller  
Principal

Dr W J Mander  
Trustee

**Harris Manchester 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>	23	<b>68</b>	<b>(349)</b>
<b>Returns on investments and servicing of finance</b>			
Income from investments		114	127
Finance costs paid		0	0
		<b>114</b>	<b>127</b>
<b>Capital expenditure and financial investment</b>			
New endowment capital received		0	0
Payments for tangible fixed assets		(531)	(335)
Proceeds from sales of tangible fixed assets		0	0
Payments for investments		0	(1,197)
Proceeds from sales of investments		462	0
Other net capital movements		0	0
		<b>(69)</b>	<b>(1,532)</b>
<b>Management of liquid resources</b>			
Net (additions to) / withdrawals from term deposits		0	0
Net (purchase) / sale of current asset investments		0	0
		<b>0</b>	<b>0</b>
<b>Financing</b>			
New bank loans		0	0
Bank loans repaid		0	0
New lease finance		0	0
Capital element of finance lease payments		0	0
		<b>0</b>	<b>0</b>
<b>Increase/(decrease) in cash in the year</b>		<b>114</b>	<b>(1,754)</b>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Increase/(decrease) in cash in the year		114	(1,754)
Transfers to/(from) term deposits and current investments		0	0
(Increase)/decrease in loan and lease finance		0	0
<b>Change in net funds</b>	24	<b>114</b>	<b>(1,754)</b>

**Harris Manchester College**  
**Statement of Principal Accounting Policies**  
**For the year ended 31 July 2012**

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**Basis of accounting**

The financial statements have been prepared under the Charities Act 2011 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.

The accounts of the affiliated student bodies (Harris Manchester College Junior and Middle Common Rooms) have not been consolidated because the College does not control these activities.

**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.

**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.

**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.

**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.

**Tangible fixed assets**

The cost of major renovation projects which increase the service potential of buildings is capitalised and depreciated over applicable periods, once a project is completed.

Donations received to finance the acquisition of tangible fixed assets are treated as deferred.

Works of art and other valuable artefacts that can be regarded as inalienable are not included in the Financial Statements.

**Harris Manchester College**  
**Statement of Principal Accounting Policies**  
**For the year ended 31 July 2012**

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**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
Equipment	5 years

Freehold land is not depreciated. The cost of freehold land associated with the main historic site is not included in the balance sheet, but is unlikely to be material.

**Investments**

Listed investments held as endowment asset investments are stated at market value. Other investments are stated at the lower of cost and net realisable value.

Surpluses or deficits arising on the revaluation or realisation of endowment asset investments are added to or subtracted from the funds concerned.

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

**Stocks**

Stocks are stated at the lower of their cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stocks.

**Maintenance of premises**

The cost of routine corrective maintenance is charged to the income and expenditure account in the period it is incurred.

**Foreign currencies**

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at year-end rates of exchange or, where there are related forward foreign exchange contracts, at contract rates. The resultant exchange differences are taken to the Statement of Financial Activities.

**College Contribution Scheme**

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 Council.

**Fund accounting**

The total funds of the College 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.



**Harris Manchester College**  
**Statement of Principal Accounting Policies**  
**For the year ended 31 July 2012**

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**Fund accounting (*cont.*)**

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.

**Harris Manchester 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	492	0	0	492	395
Tuition fees - Overseas students	279	0	0	279	324
Other fees	59	0	0	59	57
HEFCE support	0	0	0	0	0
Other academic income	0	0	0	0	0
Oxford Opportunity Bursaries	0	77	0	77	0
College residential income	705	0	0	705	571
	<u>1,535</u>	<u>77</u>	<u>0</u>	<u>1,612</u>	<u>1,347</u>
<b>Public worship</b>					
Chapel offerings	0	0	0	0	0
Other	0	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Heritage</b>					
Entrance fees	0	0	0	0	0
Other	0	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

**2 TRADING INCOME**

	2012 £'000	2011 £'000
Subsidiary company trading income	0	0
Other trading income	4	4
	<u>4</u>	<u>4</u>

**3 INVESTMENT INCOME**

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2012 Total £'000	2011 Total £'000
Agricultural rent	0	0	0	0	0
Commercial rent	9	0	0	9	8
Other property income	5	0	0	5	6
Equity dividends	0	0	0	0	0
Income from fixed interest stocks	0	0	0	0	0
Interest on fixed term deposits and cash	0	0	90	90	77
Other investment income	0	0	0	0	0
	<u>14</u>	<u>0</u>	<u>90</u>	<u>104</u>	<u>91</u>

**Harris Manchester College**  
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**4 BANK AND OTHER INTEREST INCOME**

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2012 Total £'000	2011 Total £'000
Bank interest	2	0	8	10	36
Other interest	0	0	0	0	0
	<u>2</u>	<u>0</u>	<u>8</u>	<u>10</u>	<u>36</u>

**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	37	0	39	76	72
Trading expenditure	0	0	0	0	0
Investment management costs	5	2	19	27	21
<b>Total costs of generating funds</b>	<u>42</u>	<u>2</u>	<u>58</u>	<u>103</u>	<u>93</u>
<b>Charitable expenditure</b>					
Teaching, research and residential	1,018	686	406	2,111	2,033
Public worship	0	0	0	0	0
Heritage	0	0	0	0	0
<b>Total charitable expenditure</b>	<u>1,018</u>	<u>686</u>	<u>406</u>	<u>2,111</u>	<u>2,033</u>
<b>Governance costs</b>	<u>0</u>	<u>12</u>	<u>0</u>	<u>12</u>	<u>9</u>
<b>Total resources expended</b>	<u>1,061</u>	<u>701</u>	<u>465</u>	<u>2,226</u>	<u>2,135</u>

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 £Nil (2011 - £Nil).

**6 SUPPORT COSTS**

	Generating Funds £'000	Teaching Research & Residential £'000	Public Worship £'000	Heritage £'000	2012 Total £'000	2011 Total £'000
Financial and domestic admin	58	157	0	0	215	166
Human resources	0	5	0	0	5	2
IT	0	72	0	0	72	112
Depreciation	0	172	0	0	172	160
Loss/(profit) on fixed assets	0	0	0	0	0	0
Bank interest payable	0	0	0	0	0	0
Other finance charges	0	0	0	0	0	0
	<u>58</u>	<u>406</u>	<u>0</u>	<u>0</u>	<u>465</u>	<u>440</u>

Finance and administration 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. IT costs are attributed according to the estimated staff time spent on each activity. Interest and other finance charges are attributed according to the purpose of the related financing.

**Harris Manchester College**  
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**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	7	43	50	81
Bursaries and hardship awards	0	77	77	0
Grants to other institutions	0	0	0	0
	<u>7</u>	<u>120</u>	<u>127</u>	<u>81</u>

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

**8 GOVERNANCE COSTS**

	2012 £'000	2011 £'000
<b>Governance costs comprise:</b>		
Auditor's remuneration - audit services	10	8
Auditor's remuneration - other services	0	0
Legal and other fees on constitutional matters	0	0
Other governance costs	2	1
	<u>12</u>	<u>9</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.

**9 STAFF COSTS**

	2012 £'000	2011 £'000
The aggregate payroll costs for the year were as follows.		
Salaries and wages	1,088	1,044
Social security costs	90	101
Pension costs	84	89
	<u>1,262</u>	<u>1,235</u>

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	0	0
College residential	20	20
Public worship	0	0
Heritage	0	0
Fundraising	0	0
Support	10	10
Total	<u>30</u>	<u>30</u>

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

	2012	2011
University Lecturers	0	0
CUF Lecturers	3	3
Other teaching and research	4	4
Other	5	5
Total	<u>12</u>	<u>12</u>

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**STAFF COSTS (Cont.)**

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	0	0
£70,001-£80,001	0	0
£80,001-£90,001	0	0
£90,001-£100,001	0	0
£100,001-£110,001	0	0

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

In defined benefits schemes	0	0
In defined contribution schemes	0	0

**2012**  
**£'000**

**2011**  
**£'000**

The College contributions to defined contribution pension schemes totalled

**13**  
**15**

**10 TANGIBLE FIXED ASSETS**

Group	Leasehold land and buildings £'000	Freehold land and buildings £'000	Plant and Machinery £'000	Fixtures, Fittings and Equipment £'000	Total £'000
<b>Cost</b>					
At start of year	0	6,984	136	591	7,711
Additions	0	499	1	31	531
Disposals	0	0	0	0	0
<b>At end of year</b>	<b>0</b>	<b>7,482</b>	<b>137</b>	<b>622</b>	<b>8,242</b>
<b>Depreciation</b>					
At start of year	0	842	117	540	1,499
Charge for the year	0	146	5	21	172
On disposals	0	0	0	0	0
<b>At end of year</b>	<b>0</b>	<b>988</b>	<b>123</b>	<b>561</b>	<b>1,672</b>
<b>Net book value</b>					
At end of year	<b>0</b>	<b>6,494</b>	<b>15</b>	<b>61</b>	<b>6,570</b>
At start of year	0	6,141	19	52	6,212

**Harris Manchester College**  
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College	Leasehold land and buildings £'000	Freehold land and buildings £'000	Plant and Machinery £'000	Fixtures, Fittings and Equipment £'000	Total £'000
<b>Cost</b>					
At start of year	0	6,984	136	591	7,711
Additions	0	499	1	31	531
Disposals	0	0	0	0	0
<b>At end of year</b>	<b>0</b>	<b>7,482</b>	<b>137</b>	<b>622</b>	<b>8,242</b>
<b>Depreciation</b>					
At start of year	0	842	117	540	1,499
Charge for the year	0	146	5	21	172
On disposals	0	0	0	0	0
<b>At end of year</b>	<b>0</b>	<b>988</b>	<b>123</b>	<b>561</b>	<b>1,672</b>
<b>Net book value</b>					
<b>At end of year</b>	<b>0</b>	<b>6,494</b>	<b>15</b>	<b>61</b>	<b>6,570</b>
At start of year	0	6,141	19	52	6,212

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.

**11 PROPERTY INVESTMENTS**

Group and College	Agricultural £'000	Commercial £'000	Other £'000	2012 Total £'000	2011 Total £'000
Valuation at start of year	0	0	0	0	0
Additions and improvements at cost	0	0	0	0	0
Disposals net proceeds	0	0	0	0	0
Revaluation gains/(losses) in the year	0	0	0	0	0
<b>Valuation at end of year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**12 SECURITIES AND OTHER INVESTMENTS**

	2012 £'000	2011 £'000
<b>Group investments</b>		
Valuation at start of year	6,265	5,857
New money invested	29	82
Amounts withdrawn	(166)	(211)
Reinvested income	0	0
Investment management fees	0	0
(Decrease)/increase in value of investments	(249)	538
<b>Group investments at end of year</b>	<b>5,879</b>	<b>6,265</b>
Investment in subsidiaries	0	0
<b>College investments at end of year</b>	<b>5,879</b>	<b>6,265</b>

**Harris Manchester College**  
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<b>Group investments comprise:</b>	<b>Held outside the UK £'000</b>	<b>Held in the UK £'000</b>	<b>2012 Total £'000</b>	<b>2011 Total £'000</b>
Equity investments	0	4,897	4,897	5,608
Global multi-asset funds	0	0	0	0
Property funds	0	0	0	0
Fixed interest stocks	0	0	0	0
Alternative and other investments	0	0	0	0
Fixed term deposits and cash	0	982	982	657
<b>Total group investments</b>	<b>0</b>	<b>5,879</b>	<b>5,879</b>	<b>6,265</b>

**13 DEBTORS**

	<b>2012 Group £'000</b>	<b>2011 Group £'000</b>	<b>2012 College £'000</b>	<b>2011 College £'000</b>
<b>Amounts falling due within one year:</b>				
Trade debtors	80	53	80	53
Amounts owed by College members	5	3	5	3
Amounts owed by Group undertakings	0	0	0	0
Loans repayable within one year	0	0	0	0
Prepayments and accrued income	44	49	44	49
Other Debtors	32	52	32	52
<b>Amounts falling due after more than one year:</b>				
Loans	0	0	0	0
	<b>161</b>	<b>157</b>	<b>161</b>	<b>157</b>

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

	<b>2012 Group £'000</b>	<b>2011 Group £'000</b>	<b>2012 College £'000</b>	<b>2011 College £'000</b>
Bank overdrafts	0	0	0	0
Bank loans	0	0	0	0
Obligations under finance leases	0	0	0	0
Trade creditors	97	52	97	52
Amounts owed to College Members	0	0	0	0
Amounts owed to Group undertakings	0	0	0	0
Taxation and social security	36	31	36	31
College contribution	0	0	0	0
Accruals and deferred income	48	22	48	22
Other creditors	501	507	501	507
	<b>682</b>	<b>612</b>	<b>682</b>	<b>612</b>

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

	<b>2012 Group £'000</b>	<b>2011 Group £'000</b>	<b>2012 College £'000</b>	<b>2011 College £'000</b>
Bank loans	0	0	0	0
Obligations under finance leases	0	0	0	0
Other creditors	320	340	320	340
	<b>320</b>	<b>340</b>	<b>320</b>	<b>340</b>

**Harris Manchester College**  
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**16 PROVISIONS FOR LIABILITIES AND CHARGES**

	2012 Group £'000	2011 Group £'000	2012 College £'000	2011 College £'000
At start of year	0	0	0	0
Charged in the Statement of Financial Activities	0	0	0	0
Settled in the year	0	0	0	0
<b>At end of year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**17 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>						
College Endowment Fund	5,918	97	0	(101)	(249)	5,665
<b>Endowment Funds - Expendable</b>						
Scholarship Funds	347	8	(22)	(119)		214
<b>Total Endowment Funds</b>	<b>6,265</b>	<b>105</b>	<b>(22)</b>	<b>(220)</b>	<b>(249)</b>	<b>5,879</b>
<b>Restricted Funds</b>						
Development Fund	4,805	105	(222)	38		4,726
Scholarship Funds		129	(44)	81		166
<b>Total Restricted Funds</b>	<b>4,805</b>	<b>234</b>	<b>(266)</b>	<b>119</b>	<b>0</b>	<b>4,892</b>
<b>Unrestricted Funds</b>						
General	(555)	1,853	(1,938)	96		(544)
Fixed asset designated Fund	70			5		75
Development Fund	1,841					1,841
<b>Total Unrestricted Funds</b>	<b>1,356</b>	<b>1,853</b>	<b>(1,938)</b>	<b>101</b>	<b>0</b>	<b>1,372</b>
<b>Total Funds</b>	<b>12,426</b>	<b>2,192</b>	<b>(2,226)</b>	<b>0</b>	<b>(249)</b>	<b>12,143</b>

**18 FUNDS OF THE COLLEGE DETAILS**

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

**Endowment Funds - Permanent:**

College Endowment Fund

A consolidation of gifts and donations where capital and income, or only the income, can be used for the general purposes of the charity. Part of these funds may have been designated for a particular purpose by the Governing Body.

**Endowment Funds - Expendable:**

Scholarship Funds

A bequest where the use of the income is for a specific purpose so designated by the donor and which can only be used for that purpose or activity

**Restricted Funds:**

Development Fund

A consolidation of gifts and donations where both income and capital can be used for replacement and maintenance of the College functional buildings

Scholarship Funds

A consolidation of gifts and donations where both income and capital can be used for student scholarships

**Designated Funds**

Fixed asset designated

Unrestricted Funds which are represented by the fixed assets of the College and therefore not available for expenditure on the College's general purposes

Development Fund

Unrestricted Funds allocated by the Fellows for future costs of replacement and maintenance of the College functional buildings

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



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

**19 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total £'000
Tangible fixed assets	1,844	4,726	0	6,570
Property investments	0	0	0	0
Securities and other investments	0	0	5,879	5,879
Net current assets	(472)	166	0	(306)
	<u>1,372</u>	<u>4,892</u>	<u>5,879</u>	<u>12,143</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 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.

Remuneration of salaried staff who also serve as trustees is determined by a remuneration committee comprising external Fellows who are not in receipt of a salary from the College.

Trustees of the College fall into the following categories:

Principal, Official Fellows, Professorial Fellows, Supernumary Fellows

The College Principal lives on the College site as part of the requirement of his post.

Some trustees receive additional allowances for additional work carried out as part time College officers.

These amounts are included within the remuneration figures below.

The total remuneration and taxable benefits as shown below is £532,914 (2010-2011 £472,722)

The total of pension contributions is £62,589 (2010-2011 £66,290)

**Remuneration paid to trustees**

Range	2011-2012		2010-2011	
	Number of trustees/fellows	Gross remuneration, taxable benefits and pension contributions £	Number of trustees/fellows	Gross remuneration, taxable benefits and pension contributions £
7,000-7,999	1	7,236	1	7,112
10,000-10,999	2	20,514	1	10,000
25,000-25,999			1	25,673
37,000-37,999			3	113,979
38,000-38,999	5	193,541		
41,000-41,999			1	41,142
43,000-43,999	1	43,635		
47,000-47,999	1	47,888		
57,000-57,999			1	57,069
58,000-58,999	1	58,059		
63,000-63,999			3	189,144
64,000-64,999	1	64,141		
95,000-95,999			1	95,523
97,000-97,999	1	97,180		

8 trustees are not employees of the College and do not receive remuneration.

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

**Trustee expenses**

No fellow claimed any expenses for work as a trustee.

**Other transactions with trustees**

There are no other transactions with the trustees.

**Harris Manchester College**  
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**21 PENSION SCHEMES**

The Scheme

The College participates in the Universities Superannuation Scheme ("the USS") on behalf its staff. It is a contributory defined benefit scheme providing benefit based on length of service and final pensionable salary) and is contracted out from the State Second Pension Scheme. The assets of USS are held in a separate trustee-administered fund.

The scheme is a multi-employer scheme and the College is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. Therefore, as required by the accounting standard FRS17 "Retirement Benefits", the College accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the Statement of Financial Activities represents the contributions payable to the scheme 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 participating employers and reflected in the next actuarial valuation of the scheme.

The College has made available a Stakeholder Scheme for individual employees but does not contribute to that scheme.

Actuarial valuations

Qualified actuaries periodically value the Schemes. USS was 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 results of the latest actuarial valuations and the assumptions which have the most significant effect on the results of the latest valuations and the determination of the contribution levels are shown in the following table

		USS
Date of valuation		31/03/2011
Date of valuation results published		15/06/2012
Value of liabilities		£35,344m
Value of assets		£32,434m
Funding Surplus/(Deficit)		£(2,910)m a
Principal assumptions		
	Rate of interest (past service liabilities)	6.1% pa
	Rate of interest (future service liabilities)	6.1% pa
	Rate of interest (periods up to retirement)	-
	Rate of interest (periods after retirement)	-
	Rate of increase in salaries	4.4% pa
	Rate of increase in pensions	3.4% pa b
Mortality assumptions		
	Assumed life expectancy as age 65 (males)	23.7 yrs
	Assumed life expectancy as age 65 (females)	25.6 yrs
Funding Ratios		
	Technical Provisions basis	92%
	Statutory Pension Protection Fund basis	93%
	"Buy-out" basis	57%
	Estimated FRS17 Basis	82%
Recommended Employer's contribution rate (as % of pensionable salaries):		16% c
Effective date of next valuation		31/03/2014

**Harris Manchester College**  
**Notes to the financial statements**  
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**PENSION SCHEMES (Cont.)**

**Notes**

a. USS' actuarial valuation as at 31<sup>st</sup> March 2011 identified a funding deficit of £2,910m. The USS Joint Negotiating Committee has proposed, and USS has implemented with effect from 1<sup>st</sup> 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 USS' website, [www.uss.co.uk](http://www.uss.co.uk). After allowing for those 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 the 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 1<sup>st</sup> October 2009) until 31<sup>st</sup> 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 31<sup>st</sup> March 2021.

b. USS' actuary has assumed that pension increases will be 3.4% a year for the three years to 31<sup>st</sup> March 2014, then 2.6% a year thereafter.

c. As noted above (note a.), the USS employer contribution rate required for future service benefits alone at the date of the valuation was 12.6% of total pensionable salaries. It was agreed that employers should continue to contribute at the previously agreed rate of 16% of total pensionable salaries (this being the rate paid by the employers since 1<sup>st</sup> October 2009) until 31<sup>st</sup> March 2017, following which the employers will pay an additional 2% of salaries in excess of the blended employer future service cost of accruals.

Sensitivity of actuarial valuation assumptions:

Surpluses or deficits, which arise at future valuations, may impact on the University's future contribution commitment. The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Assumption	Change in assumption	Impact on USS scheme
Valuation rate of interest	increase/decrease by 0.5%	decrease/increase by £3.2bn
Rate of pension increases	increase/decrease by 0.5%	increase/decrease by £2.0bn
Rate of salary growth	increase/decrease by 0.5%	increase/decrease by £1.2bn
	more prudent assumption (mortality used at last valuation, rated down by a further year)	
Rate of mortality		increase by £0.8bn

Pension charge for the year:

The pension charge recorded by the College during the accounting period was equal to the contributions payable as follows:

	2012 £'000	2011 £'000
Universities Superannuation scheme	70	74
Other schemes	13	15
	<b>83</b>	<b>89</b>

**Other Schemes:**

The College also has a number of staff in a pension scheme operated by the Pensions Trust (PT).

The scheme is a money purchase scheme.

Employer contributions under this scheme was £13k in the year.

**FRS 17:**

The schemes in which the college participates are either defined contribution or multi-employer schemes where the share of the assets and liabilities applicable to each employer are not identified. The college will therefore account for its pension costs for the scheme on a defined contribution basis as permitted by FRS 17.

**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.

**Harris Manchester College**  
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**23 RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH FLOW FROM OPERATIONS**

	2012 £'000	2011 £'000
<b>Net incoming resources for the year</b>	<b>(34)</b>	<b>(180)</b>
Elimination of non-operating cash flows:		
- Investment income	(114)	(127)
- Endowment donations	0	0
- Financing costs	0	0
Depreciation	171	160
(Surplus)/loss on sale of fixed assets	0	0
Decrease/(Increase) in stock	(1)	4
Decrease/(Increase) in debtors	(4)	(51)
(Decrease)/Increase in creditors	50	(155)
(Decrease)/Increase in provisions	0	0
<b>Net cash inflow/(outflow) from operations</b>	<b>68</b>	<b>(349)</b>

**24 ANALYSIS OF CHANGES IN NET FUNDS**

	2011 £'000	Cash flow £'000	2012 £'000
Cash at bank and in hand	730	(210)	520
Endowment asset cash	657	325	982
Bank overdrafts	0	0	0
	<u>1,387</u>	<u>115</u>	<u>1,502</u>
Deposits and other short term investments	0	0	0
Bank loans due within one year	0	0	0
Bank loans due after one year	0	0	0
Finance lease obligations due within one year	0	0	0
Finance lease obligations due after one year	0	0	0
	<u>1,387</u>	<u>115</u>	<u>1,502</u>

**25 FINANCIAL COMMITMENTS**

At 31 July the College had annual commitments under non-cancellable operating leases as follows:

	2012 £'000	2011 £'000
<b>Land and buildings</b>		
- expiring within one year	0	0
- expiring between two and five years	0	0
- expiring in over five years	0	0
	<u>0</u>	<u>0</u>
<b>Other</b>		
- expiring within one year	0	0
- expiring between two and five years	0	0
- expiring in over five years	0	0
	<u>0</u>	<u>0</u>

**26 CAPITAL COMMITMENTS**

The College had authorised commitments at 31 July for future capital projects totalling £1,266,000 (2011 - £Nil) and contracted commitments of £184,000 (2011 - £422,093)

**Harris Manchester College**  
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**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.

**28 CONTINGENT LIABILITIES**

At 31st July 2012, the College had no contingent liabilities

**29 POST BALANCE SHEET EVENTS**

There are no material post balance sheet events

