

**HARRIS MANCHESTER COLLEGE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JULY 2015**

## **HARRIS MANCHESTER COLLEGE**

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**Harris Manchester College**  
**Officers and Advisers**  
**For the year ended 31 July 2015**

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**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 Alexandra Alvergne						
Professor Jan-Emmanuel De Neve	(Appointed 7 October 2015)					
Mrs Annette Duffell		√	√			
Dr Eric Eve						
Mr Brian Fidler			√	√		
Mrs Louise Gullifer						
Mr Harry Henderson	(Appointed 7 October 2015)		√			
Professor Richard Hobbs						
Dr Joshua Hordern						
Mr George Hudson			√			
Professor Paul Kennedy	(Appointed 8 October 2014)					
Mrs Susan Killoran		√				
Ms Victoria Lill		√				
Professor Sue Llewelyn						
Dr Bill Mander		√				
Professor David Matthews						
Professor Kate McLoughlin	(Appointed 8 October 2014)					
Professor Alister McGrath						
Dr Alex Nicholls						
Professor Terezinha Nunes						
Dr Sina Ober-Blobaum	(Appointed 7 October 2015)					
Canon Rev John Ovenden						
Professor Patrik Rorsman						
Dr Ronald Roy						
Dr Isabel Ruiz			√			

**Harris Manchester College**  
**Officers and Advisers**  
**For the year ended 31 July 2015**

Dr Lesley Smith		√				
Rev Arthur Stewart						
Dr Kristin van Zwieten						
Dr Ralph Waller		√	√			
Dr Bee Wee						

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

**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**

David Cadwallader & Co Limited  
Chartered Certified Accountants & Statutory Auditor  
Suite 3 Bignell Park Barns  
Chesterton  
Bicester  
OX26 1TD

**Bankers**

National Westminster Bank  
121 High Street  
Oxford  
OX1 4DD

**Solicitors**

Penningtons 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 2015**

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The members of the Governing Body of Harris Manchester College present their Annual Report for the year ended 31 July 2015 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

#### **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 2015**

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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 graduate students, over the age of 21 years, for first degrees and higher degrees of the University of Oxford.

Other significant activities during the year have included:

- Undertaking research in a wide range of subjects, including philosophy, law, history, economics, science, theology and engineering.
- Providing courses and facilities for other educational institutions, including local secondary schools, chaplains to Her Majesty's Armed Forces and Universities.
- Holding courses in English, Mathematics, Science, and the teaching of gifted children, for teachers from Inner London Schools.
- Providing meeting facilities for some other charities such as churches, the Farmington Trust and the Winston Churchill Memorial Trust and Music at Oxford.
- Making provision for the use of the College Chapel by an independent trust to conduct weekly services of worship. The use of the College Chapel for concerts open to the public, arranged by the College's Director of Music or by Music at Oxford.

**The provision of bursary support**

Through the provision of scholarships, bursaries and hardship grants the College endeavours to assist Harris Manchester students who may have financial difficulties, to help meet the costs of College and University fees and accommodation. 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**

- Twenty graduate students were awarded a Doctoral degree from the University of Oxford.
- Four students were awarded a Post Graduate Certificate in Education.
- Twenty three students were awarded Masters Degrees, one with Distinction and one with Merit.
- Twenty two students graduated with a Bachelor of Arts honours degree, of which seven were awarded first class honours degrees. Thirteen were awarded an upper second honours degree and two students were awarded a lower second class honours degree.
- Four students qualified as medical doctors.
- Three students were awarded a Postgraduate Diploma.
- The College has completed the renovation of all its properties on Holywell Street
- Work is ongoing to add two extra student rooms in the roof space over the workshop and library stacks, and to renovate the first floor offices and accommodation in that block.
- Planning permissions have been granted for a small private dining room and for a new accommodation and meeting room block.
- Appointed two new teaching fellows.

#### **FINANCIAL REVIEW**

The College ended the year with a surplus of £23k on unrestricted funds compared with a surplus of £16k in 2014. Income for the year was £2.24m (£3.00m in 2014) of which £1.72m was from charitable activities, £0.43m from legacies and donations and £0.10m from investments. Expenditure on charitable activities was £2.36m.

#### **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 decreased to £(477)k, from £(500)k in 2014. 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 £7.083m.

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 2015**

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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 24 November 2015 and signed on its behalf by:

Rev Dr R Waller  
Principal

Dr E Eve  
Secretary

**Harris Manchester College**  
**Independent Auditors Report to the Members of the Governing Body**  
**For the year ended 31 July 2015**

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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 2015 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 29.

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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2015**

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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 2015 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.

David Cadwallader & Co Limited  
Chartered Certified Accountants & Statutory Auditor  
Suite 3 Bignell Park Barns  
Chesterton  
Bicester  
OX26 1TD

27 November 2015

David Cadwallader & Co Limited 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 2015**

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2015 Total £'000	2014 Total £'000
<b>INCOMING RESOURCES</b>						
<b>Resources from charitable activities</b>	1					
Teaching, research and residential		1,718	-	-	1,718	1,448
Public worship		-	-	-	-	-
Heritage		-	-	-	-	-
		<u>1,718</u>	<u>-</u>	<u>-</u>	<u>1,718</u>	<u>1,448</u>
<b>Resources from generated funds</b>						
Legacies and donations		216	210	-	426	1,446
Trading income	2	6	-	-	6	4
Investment income	3	17	-	78	95	97
Bank and other interest	4	1	-	-	1	3
		<u>240</u>	<u>210</u>	<u>78</u>	<u>528</u>	<u>1,550</u>
<b>Other incoming resources</b>		-	-	-	-	-
<b>Total Incoming Resources</b>		<u>1,958</u>	<u>210</u>	<u>78</u>	<u>2,246</u>	<u>2,998</u>
<b>RESOURCES EXPENDED</b>						
<b>Cost of generating funds</b>	5					
Fundraising		67	-	-	67	66
Trading expenditure		-	-	-	-	-
Investment management costs		41	-	-	41	42
		<u>108</u>	<u>-</u>	<u>-</u>	<u>108</u>	<u>108</u>
<b>Charitable activities</b>	5					
Teaching and research		2,081	282	3	2,366	2,294
Public worship		-	-	-	-	-
Heritage		-	-	-	-	-
		<u>2,081</u>	<u>282</u>	<u>3</u>	<u>2,366</u>	<u>2,294</u>
<b>Governance costs</b>	8	16	-	-	16	22
<b>Total Resources Expended</b>		<u>2,205</u>	<u>282</u>	<u>3</u>	<u>2,490</u>	<u>2,424</u>
<b>Net incoming/(outgoing) resources before transfers</b>		-	247	-	72	75
Transfers between funds	17	270	-	-	270	-
<b>Net incoming/(outgoing) resources before other gains and losses</b>		<u>23</u>	<u>-</u>	<u>72</u>	<u>-</u>	<u>195</u>
Investment gains/(losses)		-	-	-	470	470
<b>Net movement in funds for the year</b>		<u>23</u>	<u>-</u>	<u>72</u>	<u>275</u>	<u>226</u>
Fund balances brought forward	17	1,426	7,095	6,808	15,329	14,483
<b>Funds carried forward at 31 July</b>	17	<u>1,449</u>	<u>7,023</u>	<u>7,083</u>	<u>15,555</u>	<u>15,329</u>

**Harris Manchester College**  
**Consolidated and College Balance Sheets**  
**As at 31 July 2015**

	Notes	2015 Group £'000	2014 Group £'000	2015 College £'000	2014 College £'000
<b>FIXED ASSETS</b>					
Tangible assets	10	8,952	8,353	8,952	8,353
Property investments	11	0	0	0	0
Securities and other investments	12	7,083	6,808	7,083	6,808
		<b>16,035</b>	15,161	<b>16,035</b>	15,161
<b>CURRENT ASSETS</b>					
Stocks		11	11	11	11
Debtors	13	271	565	271	565
Deposits and other short term investments		0	79	0	79
Cash at bank and in hand		334	560	334	560
		<b>616</b>	1,215	<b>616</b>	1,215
<b>CREDITORS: falling due within one year</b>	14	<b>806</b>	707	<b>806</b>	707
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<b>(190)</b>	508	<b>(190)</b>	508
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>15,845</b>	15,669	<b>15,845</b>	15,669
<b>CREDITORS: falling due after more than one year</b>	15	<b>290</b>	340	<b>290</b>	340
Provisions for liabilities and charges	16	0	0	0	0
<b>NET ASSETS</b>		<b>15,555</b>	15,329	<b>15,555</b>	15,329
<b>FUNDS OF THE COLLEGE</b>					
	17				
<b>Endowment funds</b>		<b>7,083</b>	6,808	<b>7,083</b>	6,808
<b>Restricted funds</b>		<b>7,023</b>	7,095	<b>7,023</b>	7,095
<b>Unrestricted funds</b>					
Designated funds		1,926	1,926	1,926	1,926
General funds		(477)	(500)	(477)	(500)
		<b>15,555</b>	15,329	<b>15,555</b>	15,329

*The financial statements were approved and authorised for issue by the Governing Body of Harris Manchester College on: 24 November 2015*

Rev Dr R Waller  
Principal

Dr E Eve  
Trustee

**Harris Manchester College**  
**Consolidated Cash Flow Statement**  
**For the year ended 31 July 2015**

	Notes	2015 Group £'000	2014 Group £'000
<b>Net cash inflow/(outflow) from operations</b>	23	<u>224</u>	<u>364</u>
<b>Returns on investments and servicing of finance</b>			
Income from investments		96	100
Finance costs paid		0	0
		<u>96</u>	<u>100</u>
<b>Capital expenditure and financial investment</b>			
New endowment capital received		0	0
Payments for tangible fixed assets		(820)	(1,588)
Proceeds from sales of tangible fixed assets		0	0
Payments for investments		0	(234)
Proceeds from sales of investments		201	0
Other net capital movements		0	0
		<u>(619)</u>	<u>(1,822)</u>
<b>Management of liquid resources</b>			
Net (additions to) / withdrawals from term deposits		0	0
Net (purchase) / sale of current asset investments		0	0
		<u>0</u>	<u>0</u>
<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
		<u>0</u>	<u>0</u>
<b>Increase/(decrease) in cash in the year</b>		<u>(299)</u>	<u>(1,358)</u>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Increase/(decrease) in cash in the year		(299)	(1,358)
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	<u>(299)</u>	<u>(1,358)</u>

**Harris Manchester College**  
**Statement of Principal Accounting Policies**  
**For the year ended 31 July 2015**

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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 2015**

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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**  
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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**  
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**1 INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	<b>2015 Total £'000</b>	2014 Total £'000
<b>Teaching, research and residential</b>					
Tuition fees - UK and EU students	348	0	0	<b>348</b>	346
Tuition fees - Overseas students	435	0	0	<b>435</b>	291
Other fees	53	0	0	<b>53</b>	77
HEFCE support	0	0	0	<b>0</b>	0
Other academic income	0	0	0	<b>0</b>	17
College residential income	882	0	0	<b>882</b>	717
	<b>1,718</b>	<b>0</b>	<b>0</b>	<b>1,718</b>	<b>1,448</b>
<b>Public worship</b>					
Chapel offerings	0	0	0	<b>0</b>	0
Other	0	0	0	<b>0</b>	0
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Heritage</b>					
Entrance fees	0	0	0	<b>0</b>	0
Other	0	0	0	<b>0</b>	0
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**2 TRADING INCOME**

	<b>2015 £'000</b>	2014 £'000
Subsidiary company trading income	<b>0</b>	0
Other trading income	<b>6</b>	4
	<b>6</b>	<b>4</b>

**3 INVESTMENT INCOME**

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	<b>2015 Total £'000</b>	2014 Total £'000
Agricultural rent	0	0	0	<b>0</b>	0
Commercial rent	10	0	0	<b>10</b>	8
Other property income	7	0	0	<b>7</b>	2
Equity dividends	0	0	0	<b>0</b>	0
Income from fixed interest stocks	0	0	0	<b>0</b>	0
Interest on fixed term deposits and cash	0	0	78	<b>78</b>	78
Other investment income	0	0	0	<b>0</b>	9
	<b>17</b>	<b>0</b>	<b>78</b>	<b>95</b>	<b>97</b>

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

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	<b>2015 Total £'000</b>	2014 Total £'000
Bank interest	1	0	0	1	1
Other interest	0	0	0	0	2
	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>3</u>

**5 ANALYSIS OF RESOURCES EXPENDED**

	Direct staff costs £'000	Other direct costs £'000	Support costs £'000	<b>2015 Total £'000</b>	2014 Total £'000
<b>Costs of generating funds</b>					
Fundraising	34	0	33	67	66
Trading expenditure	0	0	0	0	0
Investment management costs	0	8	33	41	42
<b>Total costs of generating funds</b>	<u>34</u>	<u>8</u>	<u>66</u>	<u>108</u>	<u>108</u>
<b>Charitable expenditure</b>					
Teaching, research and residential	1,103	650	613	2,366	2,294
Public worship	0	0	0	0	0
Heritage	0	0	0	0	0
<b>Total charitable expenditure</b>	<u>1,103</u>	<u>650</u>	<u>613</u>	<u>2,366</u>	<u>2,294</u>
<b>Governance costs</b>	<u>0</u>	<u>16</u>	<u>0</u>	<u>16</u>	<u>22</u>
<b>Total resources expended</b>	<u>1,137</u>	<u>674</u>	<u>679</u>	<u>2,490</u>	<u>2,424</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 (2014 - £Nil).

**6 SUPPORT COSTS**

	Generating Funds £'000	Teaching Research & Residential £'000	Public Worship £'000	Heritage £'000	<b>2015 Total £'000</b>	2014 Total £'000
Financial and domestic admin	66	284	0	0	350	346
Human resources	0	6	0	0	6	4
IT	0	102	0	0	102	92
Depreciation	0	221	0	0	221	190
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	1
	<u>66</u>	<u>613</u>	<u>0</u>	<u>0</u>	<u>679</u>	<u>633</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	2015 Total £'000	2014 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	0	102	102	86
Bursaries and hardship awards	16	0	16	29
Grants to other institutions	0	0	0	0
	<u>16</u>	<u>102</u>	<u>118</u>	<u>115</u>

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

**8 GOVERNANCE COSTS**

	2015 £'000	2014 £'000
<b>Governance costs comprise:</b>		
Auditor's remuneration - audit services	9	10
Auditor's remuneration - other services	0	0
Legal and other fees on constitutional matters	0	0
Other governance costs	7	12
	<u>16</u>	<u>22</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**

	2015 £'000	2014 £'000
The aggregate payroll costs for the year were as follows.		
Salaries and wages	1,270	1,239
Social security costs	104	112
Pension costs	115	97
	<u>1,489</u>	<u>1,448</u>

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

	2015	2014
Tuition and research	0	0
College residential	19	18
Public worship	0	0
Heritage	0	0
Fundraising	0	0
Support	10	10
Total	<u>29</u>	<u>28</u>

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

University Lecturers	3	3
CUF Lecturers	2	2
Other teaching and research	4	4
Other	5	4
Total	<u>14</u>	<u>13</u>

**Harris Manchester College**  
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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
	<b>0</b>	<b>0</b>

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

<b>2015</b>	2014
<b>£'000</b>	£'000

The College contributions to defined contribution pension schemes totalled	<b>32</b>	23
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**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	9,520	142	731	10,393
Additions	0	797	10	13	820
Disposals	0	0	0	0	0
<b>At end of year</b>	<b>0</b>	<b>10,317</b>	<b>152</b>	<b>744</b>	<b>11,213</b>
<b>Depreciation</b>					
At start of year	0	1,292	133	615	2,040
Charge for the year	0	179	4	38	221
On disposals	0	0	0	0	0
<b>At end of year</b>	<b>0</b>	<b>1,471</b>	<b>137</b>	<b>653</b>	<b>2,261</b>
<b>Net book value</b>					
At end of year	<b>0</b>	<b>8,846</b>	<b>15</b>	<b>91</b>	<b>8,952</b>
At start of year	0	8,228	9	116	8,353

**Harris Manchester College**  
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<b>College</b>	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	9,520	142	731	10,393
Additions	0	797	10	13	820
Disposals	0	0	0	0	0
<b>At end of year</b>	<b>0</b>	<b>10,317</b>	<b>152</b>	<b>744</b>	<b>11,213</b>
<b>Depreciation</b>					
At start of year	0	1,292	133	615	2,040
Charge for the year	0	179	4	38	221
On disposals	0	0	0	0	0
<b>At end of year</b>	<b>0</b>	<b>1,471</b>	<b>137</b>	<b>653</b>	<b>2,261</b>
<b>Net book value</b>					
<b>At end of year</b>	<b>0</b>	<b>8,846</b>	<b>15</b>	<b>91</b>	<b>8,952</b>
At start of year	0	8,228	9	116	8,353

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**

<b>Group and College</b>	Agricultural £'000	Commercial £'000	Other £'000	<b>2015 Total £'000</b>	2014 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**

	<b>2015 £'000</b>	2014 £'000
<b>Group investments</b>		
Valuation at start of year	6,809	6,677
New money invested	6	234
Amounts withdrawn	(202)	(375)
Reinvested income	0	0
Investment management fees	0	0
(Decrease)/increase in value of investments	470	272
<b>Group investments at end of year</b>	<b>7,083</b>	<b>6,808</b>
Investment in subsidiaries	0	0
<b>College investments at end of year</b>	<b>7,083</b>	<b>6,808</b>

**Harris Manchester College**  
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<b>Group investments comprise:</b>	Held outside the UK £'000	Held in the UK £'000	<b>2015 Total £'000</b>	2014 Total £'000
Equity investments	0	0	<b>6,919</b>	6,650
Global multi-asset funds	0	0	<b>0</b>	0
Property funds	0	0	<b>141</b>	141
Fixed interest stocks	0	0	<b>0</b>	0
Alternative and other investments	0	0	<b>0</b>	0
Fixed term deposits and cash	0	0	<b>23</b>	17
<b>Total group investments</b>	<b>0</b>	<b>0</b>	<b>7,083</b>	<b>6,808</b>

**13 DEBTORS**

	<b>2015 Group £'000</b>	2014 Group £'000	<b>2015 College £'000</b>	2014 College £'000
<b>Amounts falling due within one year:</b>				
Trade debtors	<b>81</b>	81	<b>81</b>	81
Amounts owed by College members	<b>10</b>	0	<b>10</b>	0
Amounts owed by Group undertakings	<b>0</b>	0	<b>0</b>	0
Loans repayable within one year	<b>0</b>	0	<b>0</b>	0
Prepayments and accrued income	<b>43</b>	44	<b>43</b>	44
Other Debtors	<b>137</b>	440	<b>137</b>	440
<b>Amounts falling due after more than one year:</b>				
Loans	<b>0</b>	0	<b>0</b>	0
	<b>271</b>	565	<b>271</b>	565

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

	<b>2015 Group £'000</b>	2014 Group £'000	<b>2015 College £'000</b>	2014 College £'000
Bank overdrafts	<b>0</b>	0	<b>0</b>	0
Bank loans	<b>0</b>	0	<b>0</b>	0
Obligations under finance leases	<b>0</b>	0	<b>0</b>	0
Trade creditors	<b>87</b>	61	<b>87</b>	61
Amounts owed to College members	<b>0</b>	0	<b>0</b>	0
Amounts owed to Group undertakings	<b>0</b>	0	<b>0</b>	0
Taxation and social security	<b>46</b>	45	<b>46</b>	45
College contribution	<b>0</b>	0	<b>0</b>	0
Accruals and deferred income	<b>30</b>	37	<b>30</b>	37
Other creditors	<b>643</b>	564	<b>643</b>	564
	<b>806</b>	707	<b>806</b>	707

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

	<b>2015 Group £'000</b>	2014 Group £'000	<b>2015 College £'000</b>	2014 College £'000
Bank loans	<b>0</b>	0	<b>0</b>	0
Obligations under finance leases	<b>0</b>	0	<b>0</b>	0
Other creditors	<b>290</b>	340	<b>290</b>	340
	<b>290</b>	340	<b>290</b>	340

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

	<b>2015</b>	2014	<b>2015</b>	2014
	<b>Group</b>	Group	<b>College</b>	College
	<b>£'000</b>	£'000	<b>£'000</b>	£'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	Incoming	Resources	Transfers	Gains/	At 31 July
	2014	resources	expended	£'000	(losses)	2015
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Endowment Funds - Permanent</b>						
College Endowment Fund	6,574	78	0	(270)	420	6,802
<b>Endowment Funds - Expendable</b>						
Scholarship Funds	234	0	(3)		50	281
<b>Total Endowment Funds</b>	<b>6,808</b>	<b>78</b>	<b>(3)</b>	<b>(270)</b>	<b>470</b>	<b>7,083</b>
<b>Restricted Funds</b>						
Development Fund	6,924	126	(167)			6,883
Scholarship Funds	171	84	(115)			140
<b>Total Restricted Funds</b>	<b>7,095</b>	<b>210</b>	<b>(282)</b>	<b>0</b>	<b>0</b>	<b>7,023</b>
<b>Unrestricted Funds</b>						
General	(500)	1,958	(2,205)	270		(477)
Fixed asset designated Fund	85					85
Development Fund	1,841					1,841
<b>Total Unrestricted Funds</b>	<b>1,426</b>	<b>1,958</b>	<b>(2,205)</b>	<b>270</b>	<b>0</b>	<b>1,449</b>
<b>Total Funds</b>	<b>15,329</b>	<b>2,246</b>	<b>(2,490)</b>	<b>0</b>	<b>470</b>	<b>15,555</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**  
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**19 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total £'000
Tangible fixed assets	0	0	0	0
Property investments	0	0	0	0
Securities and other investments	0	0	0	0
Net current assets	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</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 £605,605 (2013-2014 £568,858)

The total of pension contributions is £75,583 (2013-2014 £67,831)

**Remuneration paid to trustees**

Range	2014-2015		2013-2014	
	Number of trustees/fellows	Gross remuneration, taxable benefits and pension contributions £	Number of trustees/fellows	Gross remuneration, taxable benefits and pension contributions £
8,000-8,999			1	8,358
9,000-9,999	2	18,681		
11,000-11,999	2	22,496	1	11,400
15,000-15,999			1	15,777
16,000-16,999			1	16,973
31,000-31,999	1	31,945		
38,000-38,999	1	38,110	1	38,481
40,000-40,999			1	40,923
41,000-41,999	1	41,742	1	41,204
42,000-42,999	1	42,028		
51,000-51,999			2	102,828
52,000-52,999	1	52,442		
54,000-54,999	1	54,249		
60,000-60,999			1	60,643
61,000-61,999			1	61,471
63,000-63,999	1	63,153		
66,000-66,999	1	66,543		
67,000-67,999			1	67,910
69,000-69,999	1	69,268		
102,000-102,999			1	102,890
104,000-104,999	1	104,948		

13 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**

**Harris Manchester College**  
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There are no transactions with the trustees, other than as disclosed in Note 27.

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

The Scheme

The College participates in the Universities Superannuation Scheme ("the USS") and The Pensions Trust Growth Plan (PT) on behalf of its staff. The USS 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 PT is a money purchase scheme, which under the Pensions Act 2011 is treated as a defined benefit arrangement. The assets of USS and PT are each held in separate trustee-administered funds.

The schemes are multi-employer schemes and the College is unable to identify its share of the underlying assets and liabilities of the schemes on a consistent and reasonable basis. Therefore, as required by the accounting standard FRS17 "Retirement Benefits", the College accounts for the schemes as if they were defined contribution schemes. As a result, the amount charged to the Statement of Financial Activities represents the contributions payable to the schemes in respect of the accounting period.

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

In the event of the withdrawal of any of the participating employers in PT, 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.

Actuarial valuations

Qualified actuaries periodically value the Schemes (PT: every 3 years). USS and PT were valued using the "projected unit" method, embracing a market value approach. The resulting levels of contribution take account of actuarial surpluses or deficits in each scheme. The financial assumptions were derived from market conditions prevailing at the valuation date. The 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

	<u>USS</u>	<u>PT</u>
Date of valuation	31/03/2014	30/09/2011
Date of valuation results published	24/07/2015	24/05/2012
Value of liabilities	£46.9bn	£927.9m
Value of assets	£41.6bn	£780.3m
Funding Surplus/(Deficit)	£(5.3bn) a	£(147.6)m
Principal assumptions		
Rate of interest (past service liabilities)		
Rate of interest (future service liabilities)		
Investment return	5.2% pa c	
Rate of interest (periods up to retirement)	-	4.9% pa
Rate of interest (periods after retirement - active/deferred)	-	4.2% pa
Rate of increase in salaries	RPI + 1%pa d	
Rate of increase in pensions	CPI pa d	
Bonuses on accrued benefits	-	-
Inflation: Retail Prices Index	-	2.9% pa
Inflation: Consumer Prices Index	-	2.4% pa
Mortality assumptions		
Assumed life expectancy as age 65 (males)	24.2 yrs	
Assumed life expectancy as age 65 (females)	26.3yrs	
Funding Ratios		
Technical Provisions basis	89%	83%
Statutory Pension Protection Fund basis	82%	
"Buy-out" basis	54%	
Estimated FRS17 Basis	72%	
Recommended Employer's contribution rate (as % of pensionable salaries):	18% e	
Effective date of next valuation	31/03/2017	30/09/2014

**Harris Manchester College**  
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**PENSION SCHEMES (Cont.)**

Notes

a. USS's actuarial valuation as at 31<sup>st</sup> March 2014 takes into account the revised benefit structure effective 1 April 2016 agreed both by the Joint Negotiating Committee and the Trustee in July 2015 following the Employers' consultation which concluded in June 2015. Key changes agreed include: for Final Salary section members, the benefits built up to 31 March 2016 will be calculated as at that date using pensionable salary and pensionable service immediately prior to that date and going forwards will be revalued in line with increases in official pensions (currently CPI); all members will accrue a pension of 1/75th and a cash lump sum of 3/75ths of salary each year of service in respect of salary up to a salary threshold, initially £55,000 p.a.; member contributions will be 8% of salary, a defined contribution benefit for salary in excess of the salary threshold at the total level of 20% of salary in excess of the salary threshold; and optional additional contributions payable into the defined contribution section of which the first 1% of salary is to be matched by the employer. Further details about the changes may be reviewed on USS' website, [www.uss.co.uk](http://www.uss.co.uk). For the period up to 1 April 2016 the employer deficit contribution will be 0.7% p.a. of salaries based on the assumptions made.

After allowing for those changes, the actuary established a long term employer contribution rate of 18% pa of salaries for the period from 1 April 2016 to 31 March 2031. On the assumptions made and once the salary threshold and defined contribution section are introduced this gives rise to deficit contributions of at least 2.1% of salaries.

b. PT's actuarial valuation at 30th September 2011 revealed a shortfall of assets compared with the value of liabilities of £148 million, equivalent to a funding level of 84%. The Scheme Actuary is currently finalising the 2014 valuation and the results will be communicated in due course. At 30 September 2013 the market value of the Plan's assets was £772 million and the Plan's Technical Provisions (i.e. past service liabilities) was £927 million. The update therefore, revealed a shortfall of assets compared with the value of liabilities of £155 million, equivalent to a funding level of 83%. If an actuarial valuation reveals a shortfall of assets compared to liabilities, the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall. A copy of the recovery plan in respect of the September 2011 valuation was forwarded to The Pensions Regulator on 2nd October 2012, as is required by legislation. The debt for the Plan as a whole is calculated by comparing the liabilities for the Plan (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Plan. If the liabilities exceed assets there is a buy-out debt. At 30 September the estimated cost of withdrawal of the College has been estimated at £204,263.

Further details about the plan may be reviewed on the PT website [www.thepensiontrust.org.uk](http://www.thepensiontrust.org.uk).

The proposed recovery plan aims to eliminate the deficit via a combination of additional contributions from employers and investment returns over a period of 10 years from 1st April 2013. Harris Manchester College's additional contribution from 1 April 2015 was calculated at £6,754 per annum.

c. USS' actuary has assumed that the investment return is 5.2% in year 1, decreasing linearly to 4.7% over 20 years. In determining the investment return assumptions for the PT the Trustee considered advice from the Scheme Actuary relating to the probability of achieving particular levels of investment return. The trustee has incorporated an element of prudence into the pre and post retirement investment return assumptions; such that there is a 60% expectation that the return will be in excess of that assumed and a 40% chance that the return will be lower than that assumed over the next 10 years.

d. USS' actuary has assumed that the general pay growth will be CPI in year 1, CPI + 1% in year 2 and RPI + 1% pa thereafter. It is assumed that CPI is based on the RPI assumption (market derived price inflation of 3.6% pa less an inflation risk premium) less RPI/CPI gap of 0.8% pa.

e. As noted above (note a.), the USS employer contribution rate rises 18% of salaries from 1 April 2016. Prior to that date it is 16% of salaries. The total employer contributions include provisions for the cost of future accrual of defined benefits (net of member contributions to the DB section), deficit contributions, administrative expenses of 0.4% of salaries and from the implementation of the salary threshold the employer contribution towards DC benefits including employer matching contribution and certain investment management costs relating to the DC section.

Sensitivity of actuarial valuation assumptions:

Surpluses or deficits, which arise at future valuations, may impact on the College'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
Initial discount rate	increase/decrease by 0.25%	decrease/increase by £0.8bn
Discount rate in 20 years' time	increase/decrease by 0.25%	increase/decrease by £1.1bn
RPI inflation	increase/decrease by 0.1%	increase/decrease by £0.8bn
Rate of mortality	more prudent assumption (mortality used at last valuation, rated down by a further year)	increase by £0.5bn

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Pension charge for the year:

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

	<b>2015</b>	2014
	<b>£'000</b>	£'000
Universities Superannuation scheme	84	74
Pensions Trust scheme	32	23
	<b>116</b>	<b>97</b>

As at the balance sheet date there were 13 active members of the USS scheme and 28 active members of the PT scheme employed by the College.

The College continues to offer membership of both plans to its employees.

**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.

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

	<b>2015</b>	2014
	<b>£'000</b>	£'000
<b>Net incoming resources for the year</b>	<b>(244)</b>	574
Elimination of non-operating cash flows:		
- Investment income	<b>(96)</b>	(100)
- Endowment donations	<b>0</b>	0
- Financing costs	<b>0</b>	0
Depreciation	<b>221</b>	190
(Surplus)/loss on sale of fixed assets	<b>0</b>	0
Decrease/(Increase) in stock	<b>0</b>	2
Decrease/(Increase) in debtors	<b>294</b>	(168)
(Decrease)/Increase in creditors	<b>49</b>	(134)
(Decrease)/Increase in provisions	<b>0</b>	0
<b>Net cash inflow/(outflow) from operations</b>	<b>224</b>	<b>364</b>

**24 ANALYSIS OF CHANGES IN NET FUNDS**

	2014	Cash flow	2015
	£'000	£'000	£'000
Cash at bank and in hand	560	(226)	334
Endowment asset cash	17	6	23
Bank overdrafts	0	0	0
	<b>577</b>	<b>(220)</b>	<b>357</b>
Deposits and other short term investments	79	(79)	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
	<b>656</b>	<b>(299)</b>	<b>357</b>

**Harris Manchester College**  
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**25 FINANCIAL COMMITMENTS**

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

	2015 £'000	2014 £'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 2015 for future capital projects totalling Nil (2014- £Nil) and contracted commitments of £80,265 (2014 - £750,417)

**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.

The College has made equity housing loans to the following Fellows who are employees on the basis the capital sums repayable are linked to the value of the property on which the loan is secured. All joint equity properties are subject to sale on departure of the trustee from the College and are classified as endowment investments in the balance sheet

	2015 £'000	2014 £'000
Dr J Hordern	66	66
Dr A Alvergne	75	75
Prof Rorsman		200
	<u>141</u>	<u>341</u>

During the year trustee George Hudson managed the project to renovate 3 College Properties using advances from the College. A total of £590,000 was advanced in the year to 31 July 2015. In accordance with the terms of the contract this is categorised as a loan until invoices are raised to, and authorised by, the College. The amount included in other debtors at the year end is £48,523 (2014: £207,373).

George Hudson invoiced the College £391,500 during the year in relation to work completed directly (2014: £237,500). The costs are included in fixed asset additions

The Governing Body have had due regard to charity Commission guidance on transactions with trustees. There were no other related party transactions in the year.

**28 CONTINGENT LIABILITIES**

At 31st July 2015, the College had no contingent liabilities

**29 POST BALANCE SHEET EVENTS**

There are no material post balance sheet events