



# Nuffield College Oxford

Annual Report and Financial Statements

Year ended 31 July 2015

Registered Charity Number 1137506

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



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

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<b>INDEX</b>	<b>PAGE</b>
Governing Body, Officers and Advisers	2 - 4
Report of the Governing Body	5 - 9
Auditor's Report	10
Statement of Accounting Policies	11 - 13
Statement of Financial Activities	14
College Balance Sheet	15
Cashflow Statement	16
Notes to the Financial Statements	17 – 31

## Nuffield College

### Governing Body, Officers and Advisers

Year ended 31 July 2015

#### 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 Trustees during the year or subsequently are detailed below.

Warden	Elected/Resigned/Retired	(1)	(2)	(3)	(4)	(5)
Sir A W Dilnot		•	•	•	•	•
<b>Official Fellows</b>						
N D de Graaf						
R Duch			•	•		
G Evans				•		
D I D Gallie	Retired 30/09/2014					
D Gambetta	On leave of absence for the entire year					
I Jewitt			•			
J O Jonsson						
I McLean	Retired 31/12/2014			•		
M A Meyer		•				
D L Miller					•	
<b>Professorial Fellows</b>						
B Ansell						•
N Bermeo						
F Billari						
R Breen	Elected 01/07/2015					
M Browning						
S Broadberry	Elected 01/09/2015					
E Bukodi						
I Crawford						
J G Darwin					•	
A Eggers						
M Ellison	Elected 01/10/2014			•		
R M Fitzpatrick				•		
E Gonzalez Ocantos	Elected 01/09/2014					
M P Keane						

**Nuffield College**  
**Governing Body, Officers and Advisers**  
**Year ended 31 July 2015**

Y F Khong	Resigned 31/07/2015					
D S King		•				
D Kirk	Elected 15/08/2015					
P Klemperer						•
C Mills					•	
M Mills				•		
C W S Monden		•				
B Nielsen						
K W S Roberts			•			
D Rueda						
G Sasse				•		
D J Snidal						
T Snijders	Retired 01/10/2014					
C Wilson						•
P Young			•			
<b>Supernumerary Fellows</b>						
G F Hughes		•	•	•		
E Kechagia-Ovseiko		•				•
T Moore		•				•
<b>Research Fellows</b>						
S Bond		•	•			
Sir D Hendry			•		•	
L A Whitehead			•			

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

- (1) Strategy and Resources Committee
- (2) Investment Committee
- (3) Personnel & Domestic Committee
- (4) Library Committee
- (5) Information Systems Committee

In addition two committees, chaired by external non-trustees, advise the Governing Body. These are the Audit Committee and the Fellows' Remuneration Review Committee.

## **Nuffield College**

**Governing Body, Officers and Advisers**

**Year ended 31 July 2015**

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### **COLLEGE SENIOR STAFF**

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

Andrew Dilnot	<i>Warden</i>
Gwilym Hughes	<i>Bursar</i>
Neil Fowler	<i>Interim Bursar 12 November 2014 – 30 June 2015</i>
Eleni Kechagia-Ovseiko	<i>Senior Tutor</i>
Tom Moore	<i>Acting Senior Tutor until 31 March 2015</i>
Yanislava Moyses	<i>College Accountant</i>

### **COLLEGE ADVISERS**

#### **Investment managers**

OLIM Ltd, 15 Berkeley Street, London W1J 8DY

Majedie Asset Management, 10 Old Bailey, London EC4M 7NG

#### **Investment property managers**

Savills Plc, 33 Margaret Street, London W1G 0JD

#### **Auditor**

Critchleys LLP, Greyfriars Court, Oxford OX1 1BE

#### **Bankers**

Royal Bank of Scotland Group Plc, 36 St Andrew Square, Edinburgh EH2 2YB

J P Morgan, 1 Knightsbridge, London SW1X 7LX.

#### **Solicitors**

Darbys LLP, Midland House, West Way, Botley, Oxford OX2 0PH

#### **Surveyors**

Savills Plc, 33 Margaret Street, London W1G 0JD

Adkin Agricultural, Orpwood House, School Road, Ardington, Wantage, Oxfordshire, OX12 8PQ

#### **College address**

New Road

Oxford OX1 1NF

#### **Registered Charity Number**

1137506

#### **Website**

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

## **Nuffield College**

### **Report of the Governing Body**

**Year ended 31 July 2015**

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The Members of the Governing Body 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 Warden and Fellows of Nuffield College in the University of Oxford, which is known as Nuffield College, ("the College") is an eleemosynary chartered charitable corporation aggregate. It was founded by Viscount Nuffield under a Deed of Covenant and Trust dated 16 November 1937 and was granted the Royal Charter of Queen Elizabeth the Second on 18 April 1958. The corporation comprises the Warden and Fellows.

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

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing documents**

The College is governed by its Charter and Statutes dated 18 April 1958.

##### **Governing Body**

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

New members of the Governing Body are elected on the basis of academic distinction, or their ability to serve the College in other ways.

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 Warden.

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

New Members of the Governing Body are recruited by election and inducted into the workings of the College, including Governing Body policy and procedures.

Members of the Governing Body are made aware of Charity Commission guidance to trustees and may 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 six times a year. The work of developing policies and monitoring their implementation is carried out by five principal committees:

- The Strategy and Resources Committee. Academic policies and the utilisation of College resources and functional assets.
- The Investment Committee. Supervision of the College investments and income policies.
- The Personnel and Domestic Committee. Personnel and health & safety policies. Domestic arrangements including catering and maintenance.
- The Library Committee. Supervision of the College Library.
- The Information Systems Committee. Information systems policies and maintenance. Provision of IT equipment and support.

## **Nuffield College**

### **Report of the Governing Body**

**Year ended 31 July 2015**

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In addition, there are two committees that assist the College to control risks related to governance and conflicts of interest. The Audit Committee advises Governing Body on the effectiveness of the financial and other internal control systems of the College. The Audit Committee has an external (not a trustee or employee) chairman, Martin Lamaison appointed in 2001 and two external members, Neil Fowler (until November 2014) and Anthony Lawton. Three trustees, E Bukodi (until March 2015), J Darwin (until March 2015), A Eggers (from April 2015), C Wilson (from April 2015) and I Crawford are also members.

The Fellows' Remuneration Review Committee is entirely external. The membership of the committee is: Sir Michael Aaronson (Chair from February 2014), Alan Morgan, Neil Record and Sharon Witherspoon. The task of the committee is to consider proposals and matters relating to the remuneration of the Warden and Fellows not with a view to changing the recommendations but to test them against the standards which have been set by Governing Body and these are:

- a. Procedural. To confirm that due process has been followed.
- b. Affordable. To confirm that the Endowment Expenditure Rule for the time being in force allows for planned expenditure.
- c. Reasonable. That the proposals have been framed so as to reasonably achieve their objectives in a way that is seen to be fair.

#### **Group structure and relationships**

The College also has one wholly owned non-charitable subsidiary: Nuffield Properties Ltd, which was dormant throughout the relevant period and also the previous period.

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

The Governing Body, which has ultimate responsibility for managing any risks faced by the College, has given consideration to the major risks to which the College and its subsidiaries are exposed and has concluded that adequate systems are in place to manage these risks. It is recognised that systems can provide only reasonable but not absolute assurance that major risks have been managed.

### **OBJECTIVES AND ACTIVITIES**

#### **Charitable Objects and Aims**

The College's Objects are to advance post-graduate education and research.

The Governing Body is mindful of the 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 for the public benefit are:

- to elect students and present them for matriculation in the University of Oxford. Election is open to all and is subject only to academic merit;
- to supervise students who are studying for higher degrees; and

## Nuffield College

### Report of the Governing Body

Year ended 31 July 2015

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- to undertake advanced study and research.

#### Activities and objectives of the College

The College's principal activity, as specified in the Charter and Statutes, is to provide for students and Fellows who are studying and conducting research in the social sciences.

#### Significant activities in the year

Elections included 16 new research fellows. During the course of the year 15(12 in 2014) current students completed either an MSc or M Phil and 15 (12 in 2014) students or former students completed their D Phil.

#### Policy on and provision of bursary support

The College only admits graduate students. It awards scholarships to cover or partially cover fees and maintenance costs. College funds provided £454k towards such costs.

#### Public benefit

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

The College is distinguished by being the first graduate-only foundation in the University of Oxford, by specialising in the social sciences and by being relatively small, admitting around 30 students each year. The charity exists to provide for men and women who are either students or more senior academics (called Fellows) carrying out post-graduate work and other activities that are conducive to advancing education, learning and research. In addition to the 40 permanent Fellows, who are the trustees of the College by virtue of being members of the Governing Body, the College is notable for having 51 Research Fellows (55 in 2014), who make a significant contribution to our objectives.

## ACHIEVEMENTS AND PERFORMANCE

At the start of the academic year 2014/15, there were 66 students in College. There were 40 men and 26 women. Their distribution by group and status was as shown below:

	<i>Economics</i>	<i>Politics</i>	<i>Sociology</i>	<i>Interdisciplinary</i>
DPhil	5	19	16	-
MPhil	14	5	2	-
MSc	-	0	3	-
MPP	-	2	-	-
<b>Total</b>	<b>19</b>	<b>26</b>	<b>21</b>	-
Visitors	-	2	2	-

For the academic year 2015/16, 62 student places were offered. In the event, 32 student places were taken up, 20 by men and 12 by women. 11 of the new students are from the UK, 10 from other EU countries, and 11 from elsewhere. The distribution by Group is Economics 10, Politics 14, Sociology 8. Twelve current students completed an MSc, MPhil or MPP, and five will stay on to pursue a DPhil.

## **FINANCIAL REVIEW**

The College's total funds increased by £12.5 million in the year to £194 million as at 31 July 2015. The increase is mostly attributable to investment gains.

Incoming resources of £1,378k from charitable activities provided 15% of our total income, and of this amount £196k came from fees paid by students. The College provides subsidised meals and accommodation to students. Graduate students follow courses or develop their research for most of the year so we are not able to generate significant operating income from the domestic estate. However, charges related to a busy calendar of academic lectures, seminars and conferences make an important contribution.

The College endowment is invested to provide an annual income sufficient for the needs of the College while maintaining its real value. The income drawn down from the endowment is calculated on a total return basis.

### **Reserves policy**

The College's reserves policy is to maintain sufficient free reserves to meet short-term financial obligations in the event of an unexpected revenue shortfall.

The College's free reserves at the year-end amounted to £3,998k (2014: £4,477k), representing retained unrestricted income reserves excluding an amount of £9,018k for the book value of fixed assets.

Designated reserves at the year-end comprised £803k, which included £82k for specific research projects to be spent within ten years of the initial award and an academic fund of £727k, set up in March 2014, for the purpose of advancing post-graduate education and research.

### **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 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 investments, combining the securities and property investments, totalled £212 million. The overall total investment return was 11.4% (2014: 7.7%).

Under the total return accounting basis, it is the Governing Body's policy to use a long-term spending rate combined with a smoothing rule which adjusts spending gradually in accordance with changes in the endowment's market value (after costs). The amount released under this policy is currently based on an income component, determined by a weighted average of allowable prior spending adjusted for inflation (80% weight) and a market component, the amount which would have been spent using 4.3% of the current endowment value (20% weight). This smoothing results in a lag in reaching the long term rate. The sum of the income and market components is the total endowment income available for spending.

The equivalent of 4.04% of the opening balances of the endowment funds, plus costs, was extracted as income on the total return basis in the year (2014: 3.98%). The Governing Body will keep the level of income withdrawn under review to balance the needs and interests of current and future beneficiaries of the College's activities.

## **FUTURE PLANS**

The College's future plans as agreed by the Governing Body are to continue;

- to provide for students and Fellows.
- to help graduate research students complete their D Phil in a timely manner.

## **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 they 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 4 November 2015 and signed on its behalf by:

Sir Andrew Dilnot  
Warden

## **Nuffield College**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GOVERNING BODY OF NUFFIELD COLLEGE**

We have audited the financial statements of Nuffield 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 31. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the College's Governing Body in accordance with 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 them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and its Governing Body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of Governing Body and auditor**

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.

#### **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 2014 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 the Charities Act 2011 requires us to report to you if, in our opinion:

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

**Critchleys LLP**  
Statutory Auditor  
Oxford

Date: 16 November 2015

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

**Nuffield College**  
**Statement of Accounting Policies**  
**Year ended 31 July 2015**

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**1. 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") with the exception of the presentation of the transfer of Total return applied to income, detailed below, and in accordance with applicable accounting standards 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.

Under the Charities SORP, the transfer from Endowment under total return accounting is required to be shown under Net Incoming Resources before Transfers. The Trustees consider that, under total return accounting, this represents a form of income on which college budgets are based, and that it is preferable, in order to present a 'true and fair' picture of the financial affairs of the college, to include this transfer as 'Total Return Applied as Income' in the income section of the SOFA. This has no net effect on the total incoming resources, nor on the net movement of funds. There are no disclosures required by the SORP that have not been provided.

This change in accounting policy has been introduced in these financial statements. No prior year adjustment is required as there is no change to the prior year balance sheet or to the total funds in the SOFA.

**2. 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, including contributions received from restricted funds, are accounted for in the period in which the related service is provided.

Income from research grants and contracts is recognised to the extent of the expenditure incurred during the year.

**3. 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.

**4. Investment income**

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

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

Income from investment properties is accounted for when the rent falls due for payment.

**5. 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 on a per capita basis. 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.

**Nuffield College**  
**Statement of Accounting Policies**  
**Year ended 31 July 2015**

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

**6. Leases**

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

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

**7. Tangible fixed assets**

Expenditure on the acquisition, construction or enhancement of land and buildings costing more than £25,000 together with expenditure on equipment costing more than £5,000 is capitalised and carried in the balance sheet at historical cost.

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

**8. Depreciation**

Depreciation is provided to write off the cost of all relevant tangible fixed assets, less their estimated residual value, in equal annual instalments over their expected useful economic lives as follows:

Freehold properties, including major extensions	50 years
Leasehold properties	50 years or period of lease if shorter
Building improvements	25 years
Equipment	3 years

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

**9. Investments**

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

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

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

**10. Stocks**

Stocks are valued at the lower of cost and net realisable value, cost being the purchase price on a first in, first out basis.

**11. Foreign currencies**

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

## Nuffield College

### Statement of Accounting Policies

Year ended 31 July 2015

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#### 12. Total Return investment accounting

The College statutes authorise the College to adopt a 'total return' basis for the investment of its permanent endowment. The College can invest its permanent endowments without regard to the capital/income distinctions of trust law and with discretion to apply any part of the accumulated total return on the investment as income for spending each year. Until this power is exercised, the total return is accumulated as a capital supplement to the preserved ('frozen') value of the permanent endowment.

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

For the carrying value of the preserved (frozen) permanent capital, the Governing Body has taken its open market value as at 2003, together with the original gift value of all subsequent endowments received.

#### 13. Fund accounting

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

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

Restricted funds comprise gifts, legacies and grants where the donors have earmarked funds for specific purposes. They consist of *either* gifts where the donor has specified that both the capital and any income arising must be used for the purposes given *or* the income on gifts where the donor has required that the capital be maintained and the income used for specific purposes.

Permanent endowment funds arise where donors specify that the funds should be retained as capital for the permanent benefit of the College. Any income arising from the capital will be accounted for as unrestricted funds unless the donor has placed restricted the use of that income, in which case it will be accounted for as a restricted fund.

Expendable endowment funds are similar to permanent endowment in that they have been given, or the College has determined 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.

#### 14. Pension costs

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

**Nuffield College**  
**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		1,378	0	0	1,378	1,286
		<u>1,378</u>	<u>0</u>	<u>0</u>	<u>1,378</u>	<u>1,286</u>
<b>Resources from generated funds</b>						
Legacies and donations		5	4	717	726	33
Trading income	2	0	0	0	0	0
Investment income	3	47	249	6,810	7,106	6,731
Total Return applied to income	19	6,184	0	(6,184)	0	0
Bank and other interest	4	0	1	0	1	1
		<u>6,236</u>	<u>254</u>	<u>1,343</u>	<u>7,833</u>	<u>6,765</u>
<b>Other incoming resources</b>		0	0	0	0	0
<b>Total Incoming Resources</b>		<u>7,614</u>	<u>254</u>	<u>1,343</u>	<u>9,211</u>	<u>8,051</u>
<b>RESOURCES EXPENDED</b>						
<b>Cost of generating funds</b>	5					
Fundraising		139	0	0	139	78
Investment management costs		16	53	1,117	1,186	901
Loan interest payable		0	0	115	115	107
		<u>155</u>	<u>53</u>	<u>1,232</u>	<u>1,440</u>	<u>1,086</u>
<b>Charitable activities</b>	5					
Teaching, research and residential		6,777	566	0	7,343	6,708
		<u>6,777</u>	<u>566</u>	<u>0</u>	<u>7,343</u>	<u>6,708</u>
<b>Governance costs</b>	8	17	0	0	17	18
<b>Total Resources Expended</b>		<u>6,949</u>	<u>619</u>	<u>1,232</u>	<u>8,800</u>	<u>7,812</u>
<b>Net incoming/(outgoing) resources before transfers</b>		665	(365)	111	411	239
Transfers between funds	19	0	130	(130)	0	0
<b>Net incoming/(outgoing) resources before other gains and losses</b>		<u>665</u>	<u>(235)</u>	<u>(19)</u>	<u>411</u>	<u>239</u>
Investment gains/(losses)	11, 12	0	262	11,834	12,096	5,888
<b>Net movement in funds for the year</b>		<u>665</u>	<u>27</u>	<u>11,815</u>	<u>12,507</u>	<u>6,127</u>
Fund balances brought forward	19	13,154	7,097	161,291	181,542	175,415
<b>Funds carried forward at 31 July</b>	19	<u>13,819</u>	<u>7,124</u>	<u>173,106</u>	<u>194,049</u>	<u>181,542</u>

**Nuffield College**  
**Balance Sheet**  
**As at 31 July 2015**

		2015	2014
	Notes	£'000	£'000
<b>FIXED ASSETS</b>			
Tangible assets	10	9,018	8,203
Property investments	11	97,019	68,547
Securities and other investments	12	114,766	106,569
		<b>220,803</b>	<b>183,319</b>
<b>CURRENT ASSETS</b>			
Stocks		64	67
Debtors	15	1,078	715
Deposits and other short term investments		0	0
Cash at bank and in hand		6,116	5,528
		<b>7,258</b>	<b>6,310</b>
<b>CREDITORS: falling due within one year</b>	16	<b>2,012</b>	<b>1,087</b>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<b>5,246</b>	<b>5,223</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>226,049</b>	<b>188,542</b>
<b>CREDITORS: falling due after more than one year</b>	17	<b>32,000</b>	<b>7,000</b>
<b>Provisions for liabilities and charges</b>	18	<b>0</b>	<b>0</b>
<b>NET ASSETS</b>		<b>194,049</b>	<b>181,542</b>
<b>FUNDS OF THE COLLEGE</b>			
<b>Endowment funds</b>		<b>173,106</b>	<b>161,291</b>
<b>Restricted funds</b>		<b>7,124</b>	<b>7,097</b>
<b>Unrestricted funds</b>			
Designated funds		9,821	8,677
General funds		3,998	4,477
		<b>194,049</b>	<b>181,542</b>

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

on: 4 November 2015

Warden:

Trustee:

**Nuffield College**  
**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>	25	<u>(5,727)</u>	<u>(5,667)</u>
<b>Returns on investments and servicing of finance</b>			
Income from investments		7,079	6,610
Finance costs paid		(108)	(98)
		<u>6,971</u>	<u>6,512</u>
<b>Capital expenditure and financial investment</b>			
New endowment capital received		717	0
Payments for tangible fixed assets		(670)	(1,652)
Proceeds from sales of tangible fixed assets		0	597
Payments for investments		(34,325)	(6,278)
Proceeds from sales of investments		9,149	9,143
		<u>(25,129)</u>	<u>1,810</u>
<b>Management of liquid resources</b>			
Net (additions to) / withdrawals from term deposits		0	20
Net (purchase) / sale of current asset investments		0	0
		<u>0</u>	<u>20</u>
<b>Financing</b>			
New bank loans		25,000	0
		<u>25,000</u>	<u>0</u>
<b>Increase/(decrease) in cash in the year</b>		<u>1,115</u>	<u>2,675</u>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Increase/(decrease) in cash in the year		1,115	2,675
Transfers to/(from) term deposits and current investments		0	(20)
(Increase)/decrease in loan and lease finance		(25,000)	0
Increase/(decrease) in net funds as a result of currency exchange revaluation		449	(577)
<b>Change in net funds</b>		<u>(23,436)</u>	<u>2,078</u>
<b>Net funds/(debt) at 1 August</b>		3,872	1,794
<b>Net funds/(debt) at 31 July</b>	26	<u>(19,564)</u>	<u>3,872</u>

**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	89	0	0	<b>89</b>	99
Tuition fees - Overseas students	93	0	0	<b>93</b>	85
Other fees	14	0	0	<b>14</b>	4
Other HEFCE support	163	0	0	<b>163</b>	130
Other academic income	376	0	0	<b>376</b>	323
College residential income	643	0	0	<b>643</b>	645
	<u>1,378</u>	<u>0</u>	<u>0</u>	<u><b>1,378</b></u>	<u>1,286</u>

The above analysis includes £170k received from Oxford University under the CFF Scheme, net of College fees received directly (2014 - £135k).

**2 TRADING INCOME**

	<b>2015 £'000</b>	2014 £'000
Subsidiary company trading income	<u>0</u>	<u>0</u>
	<u><b>0</b></u>	<u>0</u>

**3 INVESTMENT INCOME**

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	<b>2015 Total £'000</b>	2014 Total £'000
Agricultural rent	0	0	48	<b>48</b>	47
Commercial rent	0	0	5,226	<b>5,226</b>	4,964
Other property income	0	0	23	<b>23</b>	69
Equity dividends	0	247	1,502	<b>1,749</b>	1,598
Income from fixed interest stocks	0	0	0	<b>0</b>	0
Interest on fixed term deposits and cash	0	2	11	<b>13</b>	8
Other investment income	47	0	0	<b>47</b>	45
	<u>47</u>	<u>249</u>	<u>6,810</u>	<u><b>7,106</b></u>	<u>6,731</u>

**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	0	0	0	<b>0</b>	0
Other interest	0	1	0	<b>1</b>	1
	<u>0</u>	<u>1</u>	<u>0</u>	<u><b>1</b></u>	<u>1</u>

## 5 ANALYSIS OF RESOURCES EXPENDED

	Direct staff costs £'000	Other direct costs £'000	Support costs £'000	2015 Total £'000	2014 Total £'000
<b>Costs of generating funds</b>					
Fundraising	71	63	5	139	78
Trading expenditure	0	0	0	0	0
Investment management costs	42	1,132	12	1,186	901
Loan interest payable	0	115	0	115	107
<b>Total costs of generating funds</b>	<b>113</b>	<b>1,310</b>	<b>17</b>	<b>1,440</b>	<b>1,086</b>
<b>Charitable expenditure</b>					
Teaching, research and residential	3,680	2,712	951	7,343	6,708
<b>Total charitable expenditure</b>	<b>3,680</b>	<b>2,712</b>	<b>951</b>	<b>7,343</b>	<b>6,708</b>
<b>Governance costs</b>	<b>0</b>	<b>17</b>	<b>0</b>	<b>17</b>	<b>18</b>
<b>Total resources expended</b>	<b>3,793</b>	<b>4,039</b>	<b>968</b>	<b>8,800</b>	<b>7,812</b>

The College is liable to be assessed for Contribution under the provisions of Statute XV of the University of Oxford. The Contribution Fund is used to make grants and loans to Colleges on the basis of need. Contribution is calculated annually in accordance with regulations made by the Council.

The teaching and research costs include College Contribution payable of £154k (2014 - 162k).

## 6 SUPPORT COSTS

	Generating Funds £'000	Teaching and Research £'000	Public Worship £'000	Heritage £'000	2015 Total £'000	2014 Total £'000
Financial and domestic admin	4	452	0	0	456	376
Human resources	0	50	0	0	50	97
IT	1	208	0	0	209	244
Depreciation	0	235	0	0	235	224
Loss/(profit) on fixed assets	0	0	0	0	0	(236)
Other finance charges	12	6	0	0	18	19
	<b>17</b>	<b>951</b>	<b>0</b>	<b>0</b>	<b>968</b>	<b>724</b>

Finance and administration and human resources costs are attributed on a per capita basis.

Depreciation costs are attributed on a per capita basis.

IT costs are attributed on a per capita basis.

## 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	431	23	454	399
Bursaries and hardship awards	4	0	4	5
Grants to other institutions	3	0	3	4
	<b>438</b>	<b>23</b>	<b>461</b>	<b>408</b>

The above costs are included within the charitable expenditure on Teaching, research and residential. Grants to other institutions comprise donations to other charitable organisations.

## 8 GOVERNANCE COSTS

	2015 £'000	2014 £'000
<b>Governance costs comprise:</b>		
Auditor's remuneration - audit services	15	14
Auditor's remuneration - other services	0	0
Legal and other fees on constitutional matters	0	2
Other governance costs	2	2
	<u>17</u>	<u>18</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	3,513	3,506
Social security costs	285	297
Pension costs	533	496
	<u>4,331</u>	<u>4,299</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	24	21
College residential	32	30
Fundraising	1	1
Support	9	10
Total	<u>66</u>	<u>62</u>

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

	2015	2014
University Lecturers/Associate Professors	9	8
Other teaching and research	30	29
Other	3	3
Total	<u>42</u>	<u>40</u>

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:

	2015	2014
£60,001-£70,000	1	1
	<u>1</u>	<u>1</u>

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

	2015	2014
In defined benefits schemes	1	1
	<u>1</u>	<u>1</u>

**10 TANGIBLE FIXED ASSETS**

	Leasehold land and buildings £'000	Freehold land and buildings £'000	Plant and Machinery £'000	Fixtures, Fittings and Equipment £'000	<b>Total £'000</b>
<b>Cost</b>					
At start of year	2,329	9,365	0	57	<b>11,751</b>
Additions	0	1,042	0	8	<b>1,050</b>
Disposals	0	0	0	0	<b>0</b>
<b>At end of year</b>	<b>2,329</b>	<b>10,407</b>	<b>0</b>	<b>65</b>	<b>12,801</b>
<b>Depreciation</b>					
At start of year	601	2,905	0	42	<b>3,548</b>
Charge for the year	37	184	0	14	<b>235</b>
On disposals	0	0	0	0	<b>0</b>
<b>At end of year</b>	<b>638</b>	<b>3,089</b>	<b>0</b>	<b>56</b>	<b>3,783</b>
<b>Net book value</b>					
<b>At end of year</b>	<b>1,691</b>	<b>7,318</b>	<b>0</b>	<b>9</b>	<b>9,018</b>
At start of year	1,728	6,460	0	15	<b>8,203</b>

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 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

	Agricultural £'000	Commercial £'000	Other £'000	2015 Total £'000	2014 Total £'000
Valuation at start of year	2,650	65,897	0	68,547	64,190
Additions and improvements at cost	0	27,291	0	27,291	2,296
Disposals net proceeds	0	(916)	0	(916)	(308)
Revaluation gains/(losses) in the year	50	2,047	0	2,097	2,369
<b>Valuation at end of year</b>	<b>2,700</b>	<b>94,319</b>	<b>0</b>	<b>97,019</b>	<b>68,547</b>

The College directly invests in a substantial portfolio of commercial property and one agricultural holding. All the property is held in the United Kingdom except for three assets in Berlin, Germany.

A formal valuation of the agricultural property in Liverpool was prepared by Andrew Chandler MRICS of Adkin as at 31 July 2015.

Formal valuations for the majority of the commercial properties were prepared as at 31 July 2015 by their respective managing agents: by Nicholas Rees MRICS of Savills for UK property and Volker Zwing of Meterhoch2! for Berlin.

The remaining commercial properties were valued as at 31 July 2015, as follows: Nuffield Estate by Emily Ham MRICS of Adkin, 10a New Road by Marriotts and Worcester Street Car park by Nicholas Rees MRICS of Savills.

## 12 SECURITIES AND OTHER INVESTMENTS

	2015 £'000	2014 £'000
<b>Investments</b>		
Valuation at start of year	106,568	105,855
New money invested	5,905	3,172
Amounts withdrawn	(7,706)	(5,977)
(Decrease)/increase in value of investments	9,999	3,519
<b>Investments at end of year</b>	<b>114,766</b>	<b>106,569</b>

Investments comprise:	Held outside the UK £'000	Held in the UK £'000	2015 Total £'000	2014 Total £'000
Equity investments	0	42,597	42,597	40,400
Global multi-asset funds	24,638	28,398	53,036	47,748
Property funds	120	688	808	667
Fixed interest stocks	299	0	299	411
Alternative and other investments	11,062	644	11,706	11,999
Fixed term deposits and cash	5,856	464	6,320	5,344
<b>Total group investments</b>	<b>41,975</b>	<b>72,791</b>	<b>114,766</b>	<b>106,569</b>

### 13 SUBSIDIARY UNDERTAKINGS

The College holds 100% of the issued share capital in Nuffield Properties Limited, which has been dormant in the current and previous reporting periods.

### 14 STATEMENT OF INVESTMENT TOTAL RETURN

The Trustees have adopted a duly authorised policy of total return accounting for the College investment returns with effect from 31 July 2003.

The investment return to be applied as income is calculated as a weighted average of the prior year expenditure adjusted for inflation (80%) and the amount which would have been spent using 4.30% of the current endowment value (20%). The application of the above rule equates to a drawdown rate of 4.04% (2014 - 3.98%) of the opening balances of the endowment funds.

The preserved (frozen) value of the invested endowment capital represents its open market value in 2003 together with all subsequent endowments valued at date of gift.

	Permanent Endowment £'000	Expendable Endowment £'000	Total £'000
<b>Investment total return</b>			
Income distributions	4,773	2,037	<b>6,810</b>
Capital gains/losses	8,143	3,691	<b>11,834</b>
Investment management costs	(794)	(323)	<b>(1,117)</b>
Loan interest payable	(77)	(38)	<b>(115)</b>
Total return for the year	<u>12,045</u>	<u>5,367</u>	<u><b>17,412</b></u>
Amount applied as income for spending	<u>(4,544)</u>	<u>(1,770)</u>	<u><b>(6,314)</b></u>
Total Return applied to income			(6,184)
Other Transfers			(130)
Net increase in Unapplied Total Return in the year	7,501		
Unapplied Total Return at start of year	44,455		
<b>Unapplied Total Return at end of year</b>	<u><b>51,956</b></u>		
<b>Preserved value of original permanent endowments</b>	<u><b>69,527</b></u>		

### 15 DEBTORS

	2015 £'000	2014 £'000
<b>Amounts falling due within one year:</b>		
Trade debtors	<b>899</b>	580
Amounts owed by College members	<b>25</b>	9
Loans repayable within one year	<b>3</b>	3
Prepayments and accrued income	<b>100</b>	122
Other Debtors	<b>1</b>	1
<b>Amounts falling due after more than one year:</b>		
Loans to College members	<b>50</b>	0
	<u><b>1,078</b></u>	<u>715</u>

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

	<b>2015</b>	2014
	<b>£'000</b>	£'000
Trade creditors	<b>607</b>	389
Amounts owed to College Members	<b>1</b>	1
Taxation and social security	<b>256</b>	262
College contribution	<b>154</b>	162
Accruals and deferred income	<b>878</b>	219
Other creditors	<b>116</b>	54
	<b><u>2,012</u></b>	<u>1,087</u>

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

	<b>2015</b>	2014
	<b>£'000</b>	£'000
Bank loans	<b>32,000</b>	7,000
	<b><u>32,000</u></b>	<u>7,000</u>

A loan of £32 million was arranged during the year with Royal Bank of Scotland to (i) fund the acquisition of Investment Properties in Oxford and (ii) refinance the existing bank loans. The loan is repayable at the end of 10 years (2025) and may be repaid earlier. The interest rate is 1% above LIBOR.

**18 PROVISIONS FOR LIABILITIES AND CHARGES**

	<b>2015</b>	2014
	<b>£'000</b>	£'000
At start of year	<b>0</b>	0
Charged in the Statement of Financial Activities	<b>0</b>	0
Settled in the year	<b>0</b>	0
<b>At end of year</b>	<b><u>0</u></b>	<u>0</u>

19 FUNDS OF THE COLLEGE MOVEMENTS

	At 1 August 2014 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2015 £'000
<b>Endowment Funds - Permanent</b>						
General	95,247	4,100	(726)	(3,845)	7,430	102,206
Guardian Fellowship Fund	1,747	62	(13)	(62)	66	1,800
GS Pollard Memorial Bursary	161	6	(1)	(6)	6	166
Ford Foundation Endowment	9,459	331	(72)	(331)	347	9,734
Gwilym Gibbon Bequest	4,651	163	(36)	(188)	171	4,761
Arthur Goodhart Fund	387	14	(3)	(14)	15	399
Andrew Mellon	1,287	48	(10)	(52)	50	1,323
PM Williams Memorial Appeal	98	4	(1)	(3)	4	102
Jemolo Research Fellowship	945	33	(7)	(33)	34	972
Oxford Graduate Scholarship Funds		729	(2)	(10)	20	737
<b>Subtotal (Permanent endowment)</b>	<b>113,982</b>	<b>5,490</b>	<b>(871)</b>	<b>(4,544)</b>	<b>8,143</b>	<b>122,200</b>
<b>Endowment Funds - Expendable</b>						
General	47,309	2,037	(361)	(1,770)	3,691	50,906
<b>Total Endowment Funds</b>	<b>161,291</b>	<b>7,527</b>	<b>(1,232)</b>	<b>(6,314)</b>	<b>11,834</b>	<b>173,106</b>
<b>Restricted Funds</b>						
Guardian Fellowship Fund	114	4	(2)	44	4	164
GS Pollard Memorial Bursary	221	8	(2)	5	8	240
Ford Foundation Endowment	1,689	59	(66)	36	63	1,781
Gwilym Gibbon Bequest	3,542	124	(492)	0	130	3,304
Arthur Goodhart Fund	843	30	(12)	12	32	905
Andrew Mellon	226	9	(15)	0	9	229
PM Williams Memorial Appeal	60	2	0	3	2	67
Jemolo Research Fellowship	375	13	(7)	20	14	415
Studentship Appeal and Studentship Support	27	5	(23)	0	0	9
Oxford Graduate Scholarship Funds	0	0	0	10	0	10
<b>Total Restricted Funds</b>	<b>7,097</b>	<b>254</b>	<b>(619)</b>	<b>130</b>	<b>262</b>	<b>7,124</b>
<b>Unrestricted Funds</b>						
General	4,477	1,430	(6,856)	4,947	0	3,998
Fixed asset designated fund	8,203	0	0	815	0	9,018
Other designated funds	474	0	(93)	422	0	803
<b>Total Unrestricted Funds</b>	<b>13,154</b>	<b>1,430</b>	<b>(6,949)</b>	<b>6,184</b>	<b>0</b>	<b>13,819</b>
<b>Total Funds</b>	<b>181,542</b>	<b>9,211</b>	<b>(8,800)</b>	<b>0</b>	<b>12,096</b>	<b>194,049</b>

## 20 FUNDS OF THE COLLEGE DETAILS

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

### Endowment Funds - Permanent:

	<u>Sources/Origins</u>	<u>Purposes</u>
General endowment	Lord Nuffield's Benefaction Nuffield Foundation	To provide a College for post-graduate work especially in the study of social (including economic and political) problems.
Guardian Research Fellowship	The Scott Trust	Research by persons with experience in the print and broadcast media
GS Pollard Memorial Bursary	CIPFA	To provide for studentship or research funding into modern developments in public finance
Ford Foundation Endowment	The Ford Foundation	Supports Fellows of the College in the field of politics, with particular reference to European politics
Gwilym Gibbon Bequest	Sir I. Gwilym Gibbon	For the study of the problems of Government
Arthur Goodhart Fund	Professor Goodhart, (organised by the Association of American Rhodes Scholars)	Provides for travel grants to and from North America
Andrew Mellon Fund	The Andrew W. Mellon Foundation	Supports scholarly activities in conjunction with the Andrew Mellon Professorship, and the field of American Government
PM Williams Memorial Appeal	Appeal issued in 1984, administered by Nuffield College	Student support, and Library expenditure
Jemolo Research Fellowship	The Bank of Italy, the Banca Commerciale Italiana, the Banco di Santo Spirito, The Istituto S. Paolo di Torino and the Assicurazioni Generali	A visiting Fellowship by persons whose field of research is Italy.
Oxford Graduate Scholarship Funds	J.Hausman, Swire Educational Trust and others	Three Trust Funds, the purpose of which is to pay contribution towards, or all, of the University and College fees together with a maintenance grant. The original capital cannot be spent.

### Endowment Funds - Expendable:

Lord Nuffield's Bequest  
Sir Norman Chester's Bequest  
P.M. Williams' Bequest

To provide additional funds to support the College for post-graduate work especially in the study of social (including economic and political) problems.

### Restricted Funds:

The following funds represent unspent income from the respective endowment fund:

Guardian Research Fellowship  
GS Pollard Memorial Bursary  
Ford Foundation Endowment  
Gwilym Gibbon Bequest  
Arthur Goodhart Fund  
Andrew Mellon Fund  
PM Williams Memorial Appeal  
Jemolo Research Fellowship  
Oxford Graduate Scholarship Funds

Studentship Appeal and Studentship  
Support

Annual appeal organised by  
Nuffield College

For student financial support

### Designated Funds

Fixed asset designated fund	Unrestricted Funds which are represented by the fixed assets of the College and therefore not available for expenditure on the College's general purposes
Other designated funds	Unrestricted Funds allocated by the Fellows for future costs of specific research projects.

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.

## 21 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total £'000
Tangible fixed assets	9,018	0	0	<b>9,018</b>
Property investments	0	0	97,019	<b>97,019</b>
Securities and other investments	0	7,124	107,642	<b>114,766</b>
Net current assets	4,801	0	445	<b>5,246</b>
Creditor > 1 year	0	0	(32,000)	<b>(32,000)</b>
	<u>13,819</u>	<u>7,124</u>	<u>173,106</u>	<u><b>194,049</b></u>

## 22 TRUSTEES' REMUNERATION

### Trustee remuneration

The trustees of the College comprise the permanent Governing Body Fellows who sit on governing body by virtue of their employment.

No trustee receives any remuneration for acting as a trustee. However, the trustees are also employees of the College who receive salaries for their work as employees. These salaries are paid with reference to external scales.

Proposed changes in remuneration are scrutinised by the Fellows' Remuneration Review Committee.

Trustees of the College fall into the following categories:

Official Fellow  
Professorial Fellow  
Research Fellow

There are also three trustees, the Warden, the Bursar and the Senior Tutor, who work full time on management.

Trustees are eligible for participation in the College housing scheme.  
Fourteen trustees live in houses owned jointly with the College.

Some trustees receive additional allowances for additional work carried out as part time College officers. eg Dean. These amounts are included within the remuneration figures below.

**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 £
£1,000-£4,999	1	3,336	1	2,034
£5,000-£9,999	0	-	1	5,432
£10,000-£14,999	0	-	2	20,138
£15,000-£19,999	2	38,270	1	19,545
£20,000-£24,999	10	237,393	7	164,645
£25,000-£29,999	12	322,650	12	320,679
£30,000-£34,999	3	95,453	1	32,699
£35,000-£39,999	1	35,072	2	75,484
£40,000-£45,999	3	131,188	1	44,429
£60,000-£64,999	0	-	1	63,496
£65,000-£69,999	0	-	1	69,192
£75,000-£79,999	1	75,326	0	-
£80,000-£84,999	1	81,293	0	-
£85,000-£89,999	0	-	1	76,752
£95,000-£99,999	0	-	3	298,822
£100,000-£104,999	4	409,656	2	203,458
£105,000-£109,999	1	107,515	3	323,553
£110,000-£114,999	1	110,445	1	113,899
£115,000-£119,999	1	115,814		
£160,000-£164,999	1	163,889	1	161,214
	<b>42</b>	<b>1,927,300</b>	<b>41</b>	<b>1,995,471</b>

The amounts disclosed above include only payments made by the College; some trustees are paid jointly by the College and the University of Oxford.

All employees are eligible for private health insurance as part of their package of remuneration.

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

**Trustee expenses**

No trustees were paid travel expenses for work as a trustee.

**Other transactions with trustees**

None

## 23 PENSION SCHEMES

### 1. The pension schemes:

The College participates in two principal pension schemes for its staff - the Universities Superannuation Scheme ('USS') and the University of Oxford Staff Pension Scheme ('OSPS'). Both schemes are contributory defined benefit schemes (i.e. they provide benefits based on length of service and pensionable salary) and are contracted out from the State Second Pension Scheme. The assets of USS and OSPS are each held in separate trustee-administered funds. Both schemes are multi-employer schemes and the College is unable to identify its share of the underlying assets and liabilities of each scheme on a consistent and reasonable basis. Therefore, in accordance with 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 income and expenditure account 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.

However, in OSPS, the amount of any pension funding shortfall in respect of any withdrawing participating employer will be charged to that employer.

### 2. Actuarial valuations

Qualified actuaries periodically value the Schemes. Both USS and OSPS were valued using the "projected unit" method, embracing a market value approach. The resulting levels of contribution take account of actuarial surpluses or deficits in each scheme. The financial assumptions were derived from market conditions prevailing at the valuation date. The 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	OSPS
Date of valuation:	31/03/2014	31/03/2013
Date valuation results published:	15/06/2015	23/06/2014
Value of liabilities:	£46.9bn	£597m
Value of assets:	£41.6bn	£424m
Funding Surplus/(Deficit):	(£5.3bn) <sup>a</sup>	(£173m) <sup>b</sup>
Principal assumptions:		
Investment Return	5.2% <sup>c</sup>	-
Rate of interest (periods up to retirement)	-	4.4% pa
Rate of interest (periods after retirement)	-	4.4% pa
Rate of increase in salaries	RPI + 1%pa <sup>d</sup>	4.5% pa
Rate of increase in pensions	CPI pa <sup>d</sup>	4.4% pa
Mortality assumptions:		
Assumed life expectancy at age 65 (males)	24.2 yrs	22.5 yrs
Assumed life expectancy at age 65 (females)	26.3 yrs	25.2 yrs
Funding Ratios:		
Technical Provisions basis:	89%	71%
Statutory Pension Protection Fund basis:	82%	69%
"Buy-out" basis:	54% <sup>e</sup>	44%
Estimated FRS17 basis	72% <sup>e</sup>	75%
Recommended Employer's contribution rate (as % of pensionable salaries):	18% <sup>e</sup>	21.5%, increasing to 23.5% <sup>f</sup>
Effective date of next valuation:	31/03/2017	31/03/2016

a. USS's actuarial valuation as at 31 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 that 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% pa of salaries.

b. OSPS' actuarial valuation as at 31 March 2013 identified a required long-term employer contribution rate of 20.1% of total pensionable salaries, and a funding deficit of £173m. The University of Oxford, on behalf of all the employers participating in the scheme, has agreed with the trustees of OSPS to address this deficit by raising the employer contribution rate in increments of 0.5% of pensionable salary to 23.5%, with this increase being implemented over the next three years to 1 August 2017. The actuary has certified that the additional contribution should eliminate the deficit by 30 June 2026.

c. USS' actuary has assumed that the investment return is 5.2% in year 1, decreasing linearly to 4.7% over 20 years.

d. USS' actuary has assumed that 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 is 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 contributions and certain investment management costs relating to the DC section.

f. As noted above (note c.), the OSPS employer contribution rate required for future service benefits alone at the date of the valuation was 20.1% of total pensionable salaries. It was agreed that employers increase contribution rate by 0.5% each year to 1 August 2017 to 23.5%.

**3. 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 scheme liabilities
		USS
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

Assumption	Change in assumption	Impact on scheme liabilities
		OSPS
Valuation rate of interest	increase/ decrease by 0.5%	decrease / increase by £63m
Rate of pension increases	increase/ decrease by 0.5%	increase / decrease by £41m
Rate of salary growth	increase/ decrease by 0.5%	increase / decrease by £13m
Rate of mortality	more prudent assumption (mortality used at last valuation, rated down by a further year)	increase by £20m

**4. Pension charge for the year:**

The pension charge for the year includes contributions payable to the USS of £387k (2014 - £365k) and contributions payable to the OSPS of £146k (2014 - £131k).

**24 TAXATION**

The College is able to take advantage of the tax exemptions available to charities from taxation in respect of income and capital gains received to the extent that such income and gains are applied to exclusively charitable purposes.

**25 NET CASH FLOW FROM OPERATIONS**

	<b>2015</b>	2014
	<b>£'000</b>	£'000
<b>Net incoming resources for the year</b>	<b>411</b>	239
Elimination of non-operating cash flows:		
- Investment income	<b>(7,106)</b>	(6,731)
- Endowment donations	<b>(717)</b>	0
- Financing costs	<b>115</b>	107
Investment management costs	<b>1,123</b>	781
Depreciation	<b>235</b>	224
(Surplus)/loss on sale of fixed assets	<b>0</b>	(236)
Decrease/(Increase) in stock	<b>3</b>	(5)
Decrease/(Increase) in debtors	<b>(336)</b>	66
(Decrease)/Increase in creditors	<b>545</b>	(132)
(Decrease)/Increase in provisions	<b>0</b>	0
Decrease/(Increase) in short term investments	<b>0</b>	20
<b>Net cash inflow/(outflow) from operations</b>	<b><u>(5,727)</u></b>	<b><u>(5,667)</u></b>

**26 ANALYSIS OF CHANGES IN NET FUNDS**

	2014	Cash flow	2015
	£'000	£'000	£'000
Cash at bank and in hand	5,528	588	<b>6,116</b>
Endowment asset cash	5,344	976	<b>6,320</b>
	<u>10,872</u>	<u>1,564</u>	<u><b>12,436</b></u>
Deposits and other short term investments	0	0	<b>0</b>
Bank loans due after one year	(7,000)	(25,000)	<b>(32,000)</b>
	<u>3,872</u>	<u>(23,436)</u>	<u><b>(19,564)</b></u>

**27 FINANCIAL COMMITMENTS**

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

**28 CAPITAL COMMITMENTS**

The College had contracted commitments at 31 July for future capital projects totalling £3,344k (2014 - £2,294k).

## 29 RELATED PARTY TRANSACTIONS

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

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

The following trustees had loans outstanding from the College at the start and/or end of the year.

	<b>2015</b>	2014
	<b>£'000</b>	£'000
M Mills	<b>50</b>	0

Interest is charged on the above loan at 1% above base rate of the Royal Bank of Scotland plc.

The College has shares in properties with the following book values owned jointly with trustees (or retired trustees) under joint equity ownership agreements between the trustee and the College.

	<b>2015</b>	2014
	<b>£'000</b>	£'000
B Ansell	<b>483</b>	483
F Billari	<b>411</b>	411
S Bond	<b>159</b>	159
M Browning	<b>266</b>	266
J Darwin	<b>289</b>	289
M Ellison	<b>373</b>	0
G Evans	<b>608</b>	608
D Gambetta	<b>176</b>	176
P Klemperer and M Meyer	<b>222</b>	222
M Mills	<b>413</b>	0
C Monden	<b>210</b>	210
B Nielsen	<b>208</b>	208
D Rueda	<b>179</b>	179
R Allen (retired trustee)	<b>156</b>	156
D Gallie (retired trustee)	<b>111</b>	111
K MacDonald (retired trustee)	<b>173</b>	173
	<b>4,437</b>	3,651

Joint equity properties are subject to sale if the Trustee ceases to be a member of the College (or of an equivalent institution with Oxford University) other than by retirement.

The trustees pay compensation to the College on the College owned share of the properties, at the rate of 1% of the original College equity, indexed by CPIH.

Two additional properties were acquired under the scheme, for M Ellison and M Mills.

## 30 CONTINGENT LIABILITIES

There were no contingent liabilities which require disclosure.

## 31 POST BALANCE SHEET EVENTS

There are no material events occurring after the date of the balance sheet where disclosure is deemed to contribute to a proper understanding of the financial statements.