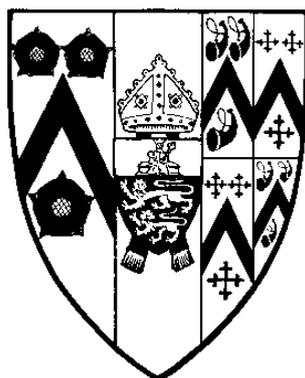


Brasenose College

Trustee Report and Accounts

For the year ended 31 July 2017



Registered Charity 1143447

Brasenose College
Annual Report and Financial Statements
Contents

| | |
|--|---------|
| Governing Body, Officers and Advisers | page 2 |
| Report of the Governing Body | page 6 |
| Report of the Auditor | page 14 |
| Statement of Accounting Policies | page 15 |
| Consolidated Statement of Financial Activities | page 20 |
| Consolidated and College Balance Sheets | page 21 |
| Consolidated Statement of Cash Flows | page 22 |
| Notes to the Financial Statements | page 23 |

Brasenose College
Governing Body, Officers and Advisers
Year ended 31 July 2017

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.

Principal:

Mr John Bowers QC

| | |
|--|---|
| Prof Konstantin Ardakov | Prof Owen Lewis |
| Dr Ed Bispham | Prof Christopher McKenna |
| Rev Julia Baldwin (from Oct 2017) | Dr Elizabeth Miller |
| Dr Geoff Bird (from January 2017) | Dr Llewelyn Morgan |
| Dr Harvey Burd | Dr Sonali Nag (from January 2017) |
| Prof Richard Cooper (retired Sept 2016) | Prof Conrad Nieduszynski |
| Prof Ron Daniel (retired Sept 2017) | Prof Simon Palfrey |
| Prof Anne Davies | Mr Philip Parker |
| Dr Elias Dinas | Prof Adam Perry |
| Dr Anne Edwards | Dr David Popplewell (retired Sept 2017) |
| Dr Sos Eltis | Prof Nicholas Purcell |
| Prof Rui Esteves | Dr Ferdinand Rauch |
| Prof Rob Fender | Prof Jeremy Robertson |
| Prof Eamonn Gaffney | Prof Andrea Ruggeri |
| Prof Elspeth Garman | Dr Simon Shogry (from Oct 2017) |
| Prof Abigail Green | Dr Simon Smith |
| Prof David Groiser | Dr Alan Strathern |
| Prof Birke Haecker (from Oct 2016) | Prof William Swadling |
| Prof Guy Houlby | Prof Eric Thun |
| Prof William James | Dr Christopher Timpson |
| Prof Jonathan Jones | Prof Giles Wiggs |
| Revd Dr Dominic Keech (resigned Dec 2016) | Prof Mark Wilson |
| Prof Ian Kiaer (from Oct 2016) | Prof Giovanni Zifarelli |
| Prof Thomas Krebs | |
| Prof Paul Klenerman (resigned December 2016) | |

Brasenose College
Governing Body, Officers and Advisers
Year ended 31 July 2017

The activities of the Governing Body are carried out through a number of committees. The major committees are listed below. Membership is for the **2016/17** academic year, and committee members are also members of Governing Body unless otherwise indicated by #.

Academic Committee

Principal
Vice-Principal
Bursar
Senior Tutor
Tutor for Graduates
Fellow Librarian
Dr Harvey Burd
Dr Elias Dinas
Professor Mark Wilson
Professor Conrad Nieduszynski

Development Committee

Principal
Director of Development
Bursar
Vice-Principal
Prof Richard Cooper #
Curator of Common Room (Prof Rui Esteves)
Prof Adam Perry
Editor of Brazen Nose (Dr Llewelyn Morgan)
President of Brasenose Society (# Mr Harry Nicholson)

Estates and Finance Committee

Principal
Vice-Principal
Bursar
Senior Tutor
Prof Giles Wiggs
Prof Jeremy Robertson
Dr Chris Timpson
Dr Ferdinand Rauch
Dr Andrea Ruggeri

Investment Advisory Committee

Principal
Bursar
Prof R Daniel
Prof Giles Wiggs
Mr David Watts (# Matriculated 1968)
Prof Simon Palfrey
Mr Mark Boulton (# Matriculated 1984)
Mr Charles Scott (# Matriculated 1976)
Mr Gerald Smith (# Matriculated 1985)
Mr Nigel Wightman (# Matriculated 1971)

Human Resources Committee

Principal
Bursar
Senior Tutor
Domestic Bursar #
Prof Anne Davies
Dr Anne Edwards
Professor Rob Fender
Dr Chris Timpson

Remuneration Committee

Prof Andrew Burrows (# Honorary Fellow)
Prof John Jeffreys (# Senior Kurti Fellow)
Prof Peter Sinclair (# Emeritus Fellow)
Prof Nicholas Purcell
Liz Padmore (#Matriculated 1974)

Brasenose College
Governing Body, Officers and Advisers
Year ended 31 July 2017

COLLEGE OFFICERS AND SENIOR STAFF

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

| | |
|---|---|
| Vice-Principal: | Prof Sos Eltis |
| Bursar: | Philip Parker |
| Senior Tutor: | Dr Simon Smith |
| Tutor for Graduates: | Prof Elspeth Garman |
| Chaplain: | Revd Dr Dominic Keech (resigned Dec 2016) Revd Prof Judith Brown (Interim Chaplain, Jan – Sept 2017) Revd Julia Baldwin (from Sept 2017) |
| Dean: | Dr David Popplewell |
| Director of Development & Alumni Relations: | Dr Elizabeth Miller |
| Domestic Bursar: | Matthew Hill |
| College Accountant: | Julia Palejowksa (resigned Dec 2016) Gillian Chandler (from Jan 2017) |
| HR Manager: | Julia Dewar |

Brasenose College
Governing Body, Officers and Advisers
Year ended 31 July 2017

COLLEGE ADVISERS

Auditor

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

Bankers

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

Solicitors (Property)

Knights (formerly Darbys Solicitors LLP)
Midland House
West Way
Botley
Oxford OX2 0PH

Solicitors (General)

Blake Morgan LLP
Seacourt Tower
West Way
Oxford OX2 0FB

Land Agent

Bidwells LLP
Seacourt Tower,
West Way,
Oxford OX2 0JJ

COLLEGE ADDRESS

Brasenose College
Radcliffe Square
Oxford OX1 4AJ

www.bnc.ox.ac.uk

Brasenose College
Report of the Governing Body
Year ended 31 July 2017

The Members of the Governing Body present their Annual Report for the year ended 31 July 2017 under the Charities Act 2011 together with the audited financial statements for the year.

REFERENCE AND ADMINISTRATIVE INFORMATION

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

The object of the College is to advance education, learning, religion and research, for the public benefit, through the provision, support and conduct of a perpetual College in the University of Oxford. The College registered with the Charity Commission on 18 August 2011 (registered number 1143447).

The names of all members of the Governing Body at the date of this report and of those in office during the year, together with details of the senior staff and advisers of the College, are given on pages 2 to 5.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The College is governed by its Statutes dated 28 April 1954, as amended in December 1999, May 2013 and most recently May 2016, which were approved by Her Majesty in Council on 15 February 2017.

Governing Body

The Governing Body is constituted and regulated in accordance with the College statutes, the terms of which are enforceable ultimately by the Visitor, who is the Bishop of Lincoln. The Governing Body is self-appointing. The Governing Body determines the ongoing strategic direction of the College and regulates its administration and the management of its finances and assets. It meets at least eleven times per year under the leadership of the Principal. It delegates many of its governance functions to governance and advisory committees, of which those with the widest remit are listed on page 3, and it delegates day-to-day management of the College to the Officers and senior members of staff, listed on page 4.

The majority of Governing Body consists of Tutorial Fellows who are jointly appointed with the University because of their academic excellence and suitability to meet teaching and research needs of the College. The Governing Body also includes Professorial Fellows, who are employed by the University, Official Fellows, who are College Officers appointed to fulfil specific administrative or managerial roles in the College and some Supernumerary Fellows.

New members of the Governing Body are usually recruited by advertisement and inducted into the workings of the College, including Governing Body policy and procedures, by the Principal and Officers.

Remuneration of Members of the Governing Body and Senior College Staff

No Fellows receive remuneration or benefits from their trusteeship of the College. Those trustees that are also employees of the College receive remuneration for their work as employees of the College, which is set based on the advice of the College's Remuneration Committee, members of which are not in receipt of remuneration from the College. Where possible, remuneration is set in line with that awarded to the University's academic staff.

The remuneration of senior college staff is set in accordance with policies agreed by Human Resources Committee in line with relevant University of Oxford grades

Group structure and relationships

The College administers many special trusts, as detailed in Notes 18 to 19 to the financial statements.

The College also has a wholly owned non-charitable subsidiary, Brasenose Limited, whose annual profits are donated to the College under the gift aid scheme. This subsidiary undertakes the College's trading activities, including the sale of merchandise and commercial events and conferences. It has also undertaken significant building works in the past. The subsidiary's aims, objectives and achievements are covered in the relevant sections of this report.

The College is part of the collegiate University of Oxford. Material interdependencies between the University and the College arise because of this relationship. Where applicable, and particularly on matters relating to the recruitment and teaching of students and academic staff, the College liaises closely with the University and the other Colleges.

OBJECTIVES AND ACTIVITIES

Charitable Objects and Aims

The object of the College is to advance education, learning, religion and research, for the public benefit, through the provision, support and conduct of a perpetual college in the University of Oxford.

The Governing Body has considered the Charity Commission's guidance on public benefit and, in keeping with its objects, the College provides public benefit by offering, in conjunction with the University of Oxford's departments and faculties, higher education to graduates and undergraduates, and by supporting the pursuit of publicly disseminated research.

The objective of the College's subsidiary is to help finance the achievement of the College's aims as above.

Activities and objectives of the College

Brasenose College advances learning, for the benefit of the public, by providing higher education for undergraduate and postgraduate students within Oxford University, and by supporting the pursuit of publicly disseminated research.

On the census date of 1 December 2016, Brasenose had 126 postgraduate research students, 83 postgraduate taught students, 356 undergraduate students, and 4 recognised visiting students, making a total of 569 students of all types. The College has 32 Tutorial Fellows who have contractual obligations to teach and to undertake research, 2 Official Fellows (the Bursar and Senior Tutor), 4 Professorial Fellows, 16 Supernumerary Fellows, 14 Senior or Junior Kurti/Golding Research Fellows, and 39 College Lecturers.

In Brasenose, as in all of the collegiate University of Oxford, the tutorial system underpins undergraduate teaching, providing students with the opportunity to receive personal or small group tuition from a Fellow or Lecturer on at least a weekly basis during term time. In addition, the College provides classes, seminars and other forms of teaching as appropriate. Pastoral and administrative support is provided to students through the undergraduate advisory system, at the hub of which is the College's welfare network and Senior Tutor, who exercises general oversight over undergraduate academic progress. Graduates at the College form an integral part of the academic community. While they are taught or supervised at their University faculty, every graduate student is assigned a College Graduate Adviser who provides academic and pastoral support. The College also appoints a Tutor for Graduates to have general oversight of the academic progress of graduates and their welfare needs.

To enable students to realise their academic potential and develop other personal qualities while at university, the College maintains high-quality facilities, including three libraries, a Chapel, teaching and multi-purpose rooms, and student accommodation. The wider cultural, religious and social development of its students is promoted actively through music and other arts, sports, welfare support, careers advice and other facilities.

Brasenose College
Report of the Governing Body
Year ended 31 July 2017

Non-academic staff provide medical, catering residential and support services to a very high standard to ensure that students are able to make the most of their membership of College.

The College also advances research across a range of disciplines by employing tutors and lecturers and supporting research fellows. Tutorial Fellows have a contractual and statutory obligation to undertake published research, and are provided with support services and assistance that include the provision of sabbatical leave, research grants, library and computer facilities, office accommodation and meals. The high levels of research activity by College Fellows have been audited by the national Research Assessment Exercise (2008) and by the Research Excellence Framework (2014). Research findings are disseminated through a wide range of media including published papers, books, broadcasts, websites, and lectures. The College also provides financial support to some graduate researchers who, at the beginning of their careers, have demonstrated outstanding early promise in their chosen field of research for a period of up to three years to enable them to concentrate on their topic of research.

Recruitment and support for students

Brasenose College's aim is to admit students who have the greatest potential to benefit from the education offered by the College and the University regardless of family income, previous educational opportunity, or protected characteristics such as ethnic origin, religious observance, gender, or disability. Fellows, lecturers, the Senior Tutor (who is also the Tutor for Admissions), and the Schools Liaison Officer are pro-active in encouraging qualified students from non-traditional backgrounds to apply, particularly those drawn from groups currently under-represented at Oxford. There are no geographical restrictions in the College's objectives; both students and academic staff are drawn from across the UK and other countries.

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

Financial support is available to students to assist them with the costs of tuition fees and living costs whilst at Oxford. In addition to student loans provided by the Student Loans Company, which remain available to undergraduates from within the EU, other financial support such as bursaries is available to UK undergraduates who are from households where income is below a certain level. In the 2016/17 academic year 69 students (over 20% of the College's UK undergraduates) received a total of £185,000 under this bursary scheme (2015/16 69 students received £185,000). A third of these students received £3,300, the maximum award, with some receiving an additional first year allowance. In addition, in 2016/17 the College awarded a total of £108,000 to undergraduate and graduate students in the form of hardship grants, bursaries, travel grants and vacation residence grants for the support of both academic and extra-curricular activities, funded by the College's 'Greatest Need' and Student Support Annual Funds. (2015/16 £107,000).

Graduate funding is available predominantly in the form of either Research Council awards or scholarship funds administered and awarded by the College and University divisions jointly. In 2016/17, approximately 30 students received a total of £164,000 from College funds for these studentships (in 2015/16, 30 students received £212,000). In addition during the year the College provided £20,000 in smaller grants and scholarships to support the academic studies of its postgraduate students (2015/16 £26,000).

The College also awarded £20,000 in academic prizes to undergraduates and graduates in the year (2015/16 £31,000). Prizes are awarded based on academic excellence and serve to encourage academic endeavour at the College.

ACHIEVEMENTS AND PERFORMANCE

Over the past 12 months, Brasenose's reputation for excellence in learning and research has been reflected in the achievements of its students and academics. 95 undergraduates completed Final Honours School examinations and graduated in June. There were 38 Firsts, 56 Upper-Seconds, and 1 Lower-Second. For the fifth successive year, no student graduated with a Third-Class degree and there were no unclassified students. Results in the First Public Examination (Honour Moderations or Prelims) were as follows: of the 105 students sitting these examinations, 31 obtained a distinction, partial distinction, or (where the result was classified) a

Brasenose College
Report of the Governing Body
Year ended 31 July 2017

First, while 69 achieved a pass or an Upper-Second and 6 students obtained a partial pass, all of whom successfully passed after resitting.

The following undergraduates were awarded prizes in recognition of their performances in University examinations:

Matthew Burwood (Physics & Philosophy, Year 3): Gibbs Prize for Philosophy in Part B of MPhysPhil

Gregory Coates (Ancient & Modern History, Year 3): Arnold Ancient History Prize for the best thesis in Ancient History in the Honour Schools of Literae Humaniores, Ancient & Modern History and Classical Archaeology & Ancient History

Emily Cunningham (Modern Languages, Year 4): proxime accessit for Gibbs Prize for Honour School

Paul Fradley (Law, Year 3): 5 Stone Building Prize for Trusts; Law Faculty Prize for Personal Property; Littleton Chambers Prize in Labour Law; proxime accessit for Wronker Law Prize; and proxime accessit for Gibbs Prize

Alexander Georgiou (Law, Year 3): Wronker Law Prize; 3 Verulam Buildings Prize in Commercial Law; White & Case Prize in Comparative Private Law; and proxime accessit for Gibbs Prize

Walter Goodwin (Engineering, Year 3): Gibbs Prize

Leon Horvat-Savic (History & Modern Languages, Year 1): Mrs Claude Beddington Prize for outstanding performance in French in Modern Languages Prelims.

Peter Kerr-Davis (English, Year 3): Charles Oldham Shakespeare Prize for highest mark in Finals in Shakespeare

Edward Lavender (Biology, Year 3): Gibbs Prize for best candidate

Yeming Li (History & Economics, Year 3): Dissertation Prize in British Maritime History awarded by the British Commission for Maritime History

James Maye (Medicine, Year 3): Association of Physicians Prize for an innovative project demonstrating the promotion of academic medicine and nominated for British Society for Immunology Undergraduate Prize

Ben Singer (Physics & Philosophy, Year 4): Gibbs Prize for Physics in Part C of MPhysPhil

On the graduate side, academic results were also encouraging. From 1 October 2016 to 30 September 2017, the College's taught masters students achieved 13 distinctions and 31 passes. 5 students suspended or requested submission extensions rolling forward into the next academic year. During the same period, one Brasenose graduate completed the MPhil by research, one completed the MSc. by research and 19 Brasenose graduates completed DPhils successfully. 13 graduate students were awarded University prizes.

During the year, Prof Geoff Bird was appointed Official Fellow in Psychology. Professor Sonali Nag and Professor Charles Hulme were elected Supernumerary Fellow and Senior Kurti Fellow in Education. Ms Gillian Hamnett was elected Supernumerary Fellow tied to her University appointment as Director of Student Welfare and Support Services.

In 2016-17, the College awarded two Honorary Fellowships to members of the College: Nobel Laureate, Professor Michael Kosterlitz (1966) and Mr Mohamed Amersi (2014).

Undergraduate Admissions and Outreach

Brasenose aims to admit as undergraduates those individuals demonstrating the greatest potential for benefitting from the educational opportunities offered by the College and University. The strength of recruitment is evidenced by the fact that the College received 10 applications for every place available. The exceptional quality of candidates is reflected in the fact that 103 direct applicants received offers from other Colleges in addition to the 113 Brasenose offer-holders. Open Days contribute significantly to these outcomes: over the

Brasenose College
Report of the Governing Body
Year ended 31 July 2017

course of the three June and September Open Days, the College welcomed in the region of 6,000 visitors through the main gate.

Outreach activity and schools liaison seek to encourage gifted students from under-represented backgrounds to consider applying to the University of Oxford, as well as maintaining links with those schools which have a tradition of Oxford applications. The College is an extremely active participant in outreach and schools liaison and in 2016-17 again made the most school contacts of any college.

While the pursuit of academic excellence remains Brasenose's primary aim, the College provides a rich social and cultural space for students and academics to enjoy, acknowledging the contribution that sport, music, and the arts make to the community. The initiative for the majority of activities taking place during term time springs from junior members. Particularly noteworthy events and achievements are reported in the news section of the College's website <https://www.bnc.ox.ac.uk/about-brasenose/news> and in the College magazine, the Brazen Nose.

Improving the College Buildings

During the year the College commissioned the third and final phase of the development of the Library. This included restoration of the main Library and History Library, the restoration of the Cloisters to provide additional study space for students and the provision of a new archive store. The project was completed in September 2017.

The College also started to develop plans for provision of more accommodation for undergraduates within the Frewin annex and for graduates at the sportsground. These plans will be financed by the proceeds of the new loan, issued by the College in April 2017. The College also started to develop a strategy for development of the buildings over the next 20 or 30 years, to ensure that the next phases of development are consistent with future opportunities and needs. This strategy is expected to be completed in 2018.

Fundraising

The College benefits from significant support from former students, staff and friends. Many gave generously of their time to provide mentoring and career advice to the current students. We are particularly grateful to the alumni who serve on the Brasenose Society Committee and the Investment Advisory Committee for their time and invaluable expertise.

Philanthropic support for the College is essential to the maintenance of high standards in teaching, research and student support and the excellence of the facilities. Total income in the year from donations and legacies was £2,809,533 (2016 £5,344,000).

The College is very grateful to over one thousand alumni who supported the Annual Fund with gifts totalling £505,114 (2016: £473,000), and also to the donors who were able to make a permanent contribution to the financial well-being of the College with gifts to the endowment totalling in this year £403,425 (2016: £2,053,000). This includes a donation of £1,500,000 towards the development of Lecture Room XI. Other gifts including legacies totalled £74,000 (2016: £74,000).

The College's approach to fundraising is in accordance with its charitable objectives.

A professional fundraising company is used to support college staff during two annual telephone fundraising events where resources are not available within the college. All contracts with professional fundraisers are monitored and there have been no failures' in compliance with the standards of the college.

The College actively manages and reviews all contractual relationships including those relating to fundraising activities and no complaints have been received about fundraising for the charity.

Through regular staff training the college continues to ensure it protects vulnerable people and others from unreasonable intrusion into a person's privacy, unreasonably persistent approaches or undue pressure to give, in the course of or in connection with fundraising for the charity.

Loan

In April 2017 the College issued £20m of unsecured loan notes, repayable in 2057, with a fixed interest rate of 2.62%. The proceeds will be used to finance the proposed new student accommodation at Frewin and on the edge of the sportsground, with the balance invested alongside the endowment. The College also has a £9m loan repayable in 2048. At 31 July 2017, the College's net debt stood at 17% of net assets.

FINANCIAL REVIEW

The College's consolidated total funds increased by £15.2m in the year, standing at £164.7m at 31 July 2017 (£149.6m at 31 July 2016). The endowment funds increased by £12.9m to £138.9m, the restricted funds increased by £0.7m to £5.3m and the College's unrestricted funds increased by £1.6m to £20.5m.

The College's incoming resources were £11.5m in the year, compared with £14.1m in 2016. Tuition and Research income remained constant at £2.5m, with residential income increasing slightly to £3.5m (2016 £3.5m). It is College policy to subsidise residential provision to students. This supports the charitable objective of the advancement of education for the public benefit and to support access to the most academically gifted regardless of financial background.

The endowment funds saw a net outflow of £1.1m, before the attribution of investment gains on land and property of £0.75m and gains on the investment portfolio of £13.2m (2016 £2.4m and £9.7m respectively), which brought the closing value of the endowment to £138.9m. The College's investment policy ensures a diversified asset allocation that helps mitigate shocks in parts of the market, such as seen since the EU referendum, and which, together with the investment return spending policy, is designed with a view to ensuring financial sustainability.

The unrestricted funds saw an inflow of £1.6m, ending the year at £20.5m, representing general and designated funds which are consistent with the reserves policy. There are no funds, restricted or unrestricted, that were in deficit at the balance sheet date.

Reserves policy

The College's reserves policy is to maintain free reserves of between 3 and 6 months of expected expenditure at the end of each financial year. These reserves are required in order to provide both working capital to finance the College operations, despite the uneven pattern of receipts which are weighted to the start of the academic year, and some reserves to enable it to meet its short-term financial obligations without interruption to services in the event of an unexpected revenue shortfall or increase in financial liabilities.

Free reserves are net current assets that are not restricted or designated and exclude loan proceeds allocated for operational purposes (student accommodation).

The College's free reserves at the year-end amounted to £2.7m (2016 as re-stated under FRS102 £3.5m), representing 2.8 months of expected expenditure.

Risk management

The College has on-going processes, which operated throughout the financial year for identifying, evaluating and managing the principal risks and uncertainties faced by the College and its subsidiary in undertaking their activities. 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. The relevant College committee, chaired by the Principal or other relevant officer, reviews policies and procedures within the College. The Estates and Finance Committee, which receives advice on investment risks from the Investment Advisory Committee, assess financial risks. The Health and Safety Committee meets regularly to review health and safety issues and reports at least once a year on health and safety matters to Governing Body. Training courses and other forms of career development are available, when requested, to members of staff to enhance their skills in risk-related areas.

The Governing Body, who have ultimate responsibility for managing any risks faced by the College, have reviewed the processes in place for managing risk and the principal identified risks to which the College and its subsidiary are exposed and have concluded that robust systems are in place to manage these risks.

The principal risks and uncertainties faced by the College and its subsidiaries that have been identified are categorised as follows:

- Failure to attract admit and retain sufficiently high quality students from diverse backgrounds. This is mitigated by active outreach programmes and intensive admissions processes, and on course, intensive feedback and welfare support;
- Failure to attract and retain leading academics. Remuneration is monitored by an independent committee, the College is committed to preserving academic reputation, and supports academics in their research activities;
- Failure to protect the real value of the endowment. This is monitored by a committee containing experts in investment management, and mitigated through a diversified investment strategy and a prudent spending rule;
- Fraud is a risk in any complex organisation, and is mitigated in the college by robust purchasing controls, financial procedures and strong budgetary management;
- Risk of shortfalls in income generation from donations or commercial and conference business are managed by close monitoring and management, and by diversity of income streams;
- Other risks relating to the operational activities of the college such as employment of staff and use of IT are managed through the implementation and monitoring of clear procedures, and where appropriate, technology.

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 the 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 Governing Body as advised by the Investment Advisory Committee from time to time sets the investment policy and strategy. The Investment Advisory Committee regularly monitors performance. At the year-end, the College's gross investments, combining the securities and property investments, totalled £150.9m (2016 £124.3m). This included loan proceeds of £12.0m and net assets of £138.9m. The overall total investment return was 16.3% over the 12 months to 30 June 2017 and 11.1% per year over the last three years, comfortably exceeding its benchmark target of 3.5% over RPI.

The carrying value of the preserved permanent capital (the trust for investment) and the amount of any unapplied total return available for expenditure was taken as the open market values (fair value) of these funds as at 1 August 2002 together with the original gift value of all subsequent endowment received.

On the total return basis of investing, it is the Governing Body's policy to extract as income 3.5% (after costs) of the value of the relevant investments. However, to smooth and moderate the amounts withdrawn this 3.5% is calculated on the average of the year-end values in each of the last five years. Due to increasing investment values over the previous five years, the amounts withdrawn were equivalent to 3.2% of the opening value of the securities and property investments after costs. 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, and has agreed to reduce the spend rate to 3.4% in 2017-18 financial year in the light of very strong recent returns and the increased possibility of lower returns in future because of economic uncertainty.

Plans

The College will continue to recruit the best possible students from the widest possible backgrounds, with particular energy directed to encouraging applicants from schools that do not traditionally send students to Oxford. Brasenose will share with the University the costs of supporting those students from families with lower incomes through Oxford's package of fee waivers and bursaries, which is the most generous universal package offered by any English University.

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

The College will seek financial support for the development of all its activities and particularly for the support of students, the endowment of Fellowships, and for the development of its facilities, both through donations and where appropriate by accessing capital markets.

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. Under that law the Governing Body have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom accounting standards and applicable law), including Financial Reporting Standard 102: The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102).

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 income or expenditure 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- State whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures, which are explained in the financial statements;
- 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 29th November 2017 and signed on its behalf by:

John Bowers QC
Principal

Independent auditor's report to the trustees of Brasenose College

Opinion

We have audited the financial statements of Brasenose College (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 July 2017 which comprise the -Consolidated Statement of Financial Activities, the Consolidated and College Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and College's affairs as at 31 July 2017 and of the group's incoming resources and application of resources, including the group's and the College's income and expenditure for the 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.

Basis for opinion

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. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and College in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Who we are reporting to

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group or the College's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report, set out on pages 6 to 13 other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance

conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 Trustees' Annual Report is inconsistent in any material respect with the financial statements; or

the parent charity has not kept sufficient accounting records; or

the parent charity's 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.

Responsibilities of trustees for the financial statements

As explained more fully in the Trustees' Responsibilities Statement set out on page 6, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Oxford

Date:

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

Brasenose College
Statement of Accounting Policies
Year ended 31 July 2017

1. Scope of the financial statements

The financial statements present the Consolidated Statement of Financial Activities (SOFA), the Consolidated and College Balance Sheets and the Consolidated Statement of Cash Flows for the College and its wholly owned subsidiary Brasenose Limited. No separate SOFA has been presented for the College alone as currently permitted by the Charity Commission on a concessionary basis for the filing of consolidated financial statements. A summary of the results and financial position of the charity and the subsidiary for the reporting year are disclosed in note 12.

2. Basis of accounting

The College's individual and consolidated financial statements have been prepared in accordance with United Kingdom Accounting Standards, in particular 'FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102).

The College is a public benefit entity for the purposes of FRS 102 and a registered charity. The College has therefore also prepared its individual and consolidated financial statements in accordance with 'The Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with FRS 102' (The Charities SORP (FRS 102)).

The financial statements have been prepared on a going concern basis and on the historical cost basis, except for the measurement of investments and certain financial assets and liabilities at fair value with movements in value reported within the Statement of Financial Activities (SOFA).

The principal accounting policies adopted are set out below and have been applied consistently throughout the year.

3. Accounting judgements and estimation uncertainty

In preparing financial statements, it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the Governing Body to have most significant effect on amounts recognised in the financial statements.

- I. Discount rate. Where long-term liabilities, assets, or other financial instruments are required to be discounted to net present value under FRS102, a rate of 3.5% is used.
- II. Investment properties are held at fair value, based on an estimated open market value on an existing use basis. There is inherent uncertainty in such valuation, but potential uplift for, for example, development opportunities is not reflected, thus ensuring that the valuation is not overstated.
- III. Pledged or legacy income that is recognised when probable, rather than certain, could potentially fail to be fulfilled. Any major donation that is recognised before having been received in full will be identified in the notes to the accounts.

4. Income recognition

All income is recognised once the College has entitlement to the income, the economic benefit is probable and the amount can be reliably measured.

(a) Income from fees, HEFCE support and other charges for services

Fees receivable, less any scholarships, bursaries or other allowances granted from the College unrestricted funds; HEFCE support and charges for services and use of the premises are recognised in the period in which the related service is provided.

(b) Income from donations, grants and legacies

Donations and grants that do not impose specific future performance-related or other specific conditions are recognised on the date on which the charity has entitlement to the resource, the amount can be reliably measured and the economic benefit to the College of the donation or grant is probable. Donations and grants subject to performance-related conditions are recognised as and when those conditions are met. Donations and grants subject to other specific conditions are recognised as those conditions are met or

Brasenose College
Statement of Accounting Policies
Year ended 31 July 2017

their fulfilment is wholly within the control of the College and it is probable that the specified conditions will be met.

Legacies are recognised following grant of probate and once the College has received sufficient information from the executor(s) of the deceased's estate to be satisfied that the gift can be reliably measured and that the economic benefit to the College is probable. Donations and grants accruing for the general purposes of the College are credited to unrestricted funds. Legacies for general purposes are credited to expendable endowment funds.

Donations, grants and legacies that are subject to conditions as to their use imposed by the donor are 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 in kind (as distinct from cash or other monetary assets), they are measured at the fair value of those assets at the date of the gift.

(c) Investment income

Interest on bank balances is accounted for on an accrual basis with interest recognised in the period to which the interest relates. Income from fixed interest debt securities is recognised using the effective interest rate method. 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 recognised on the date the share interest becomes ex-dividend or when the right to the dividend can be established.

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

5. Expenditure

Expenditure is accounted for on an accruals basis. A liability and related expenditure is recognised when a legal or constructive obligation commits the College to expenditure that will probably require settlement, the amount of which can be reliably measured or estimated.

Grants awarded that are not performance-related are charged as an expense as soon as a legal or constructive obligation for their payment arises. Grants subject to performance-related conditions are expensed as the specified conditions of the grant are met.

All expenditure including support costs and governance costs are allocated or apportioned to the applicable expenditure categories in the Statement of Financial Activities (the SOFA).

Support costs which includes governance costs (costs of complying with constitutional and statutory requirements) and other indirect costs are apportioned to expenditure categories in the SOFA 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.

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

6. Leases

Leases of assets that transfer substantially all the risks and rewards of ownership to the College are classified as finance leases. The costs of the assets held under finance leases are included within fixed assets and depreciation is charged over the shorter of the lease term and the assets' useful lives. Assets are assessed for impairment at each reporting date. The corresponding capital obligations under these leases are shown as liabilities and recognised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. Lease payments are apportioned between capital repayment and finance charges in the SOFA so as to achieve a constant rate of interest on the remaining balance of the liability.

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Rentals payable under operating leases are charged in the SOFA on a straight-line basis over the relevant lease terms. Any lease incentives are recognised over the lease term on a straight-line basis.

7. Tangible fixed assets

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Expenditure on the acquisition or enhancement of land and on the acquisition, construction and enhancement of buildings, which is directly attributable to bringing the asset to its working condition for its intended use and amounting to more than £10,000 together with expenditure on equipment costing more than £10,000, is capitalised.

Where a part of a building or equipment is replaced and the costs capitalised, the carrying value of those parts replaced is no longer recognised as an asset and is taken as an expense in the SOFA.

Other expenditure on equipment incurred in the normal day-to-day running of the College and its subsidiaries is charged to the SOFA 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 | 50 years or period of lease if shorter |
| Plant and Machinery | 20 years |
| Computer Systems and Equipment | 4 years |

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

At the end of each reporting period, the residual values and useful economic lives of assets are reviewed and adjusted if necessary. In addition, if events or changes in circumstances indicated that the carrying value may not be recoverable, the carrying values of tangible fixed assets are reviewed for impairment.

9. Heritage Assets

The College does not have any assets that it considers should be treated as heritage assets under FRS102, as all such assets are used for operational purposes, to meet the college's charitable objects of education, learning, religion and research.

10. Investments

As allowable under FRS102 the College has adopted the option to apply the recognition, measurement and disclosure requirements of sections 11 & 12 of FRS102.

Investment properties are initially recognised at their cost and subsequently measured at their fair value at each reporting date, as assessed annually by the Trustees based on estimated open market values on an existing use basis, after taking advice from the College Property Advisers. A formal valuation is undertaken every 5 years. Purchases and sales of investment properties are recognised on exchange of contracts.

Listed investments are initially measured at their cost and subsequently measured at their fair value at each reporting date. Fair value is based on their quoted price at the balance sheet date without deduction of the estimated future selling costs.

Investments such as hedge funds and private equity funds which have no readily identifiable market value are initially measured at their costs and subsequently measured at their fair value at each reporting date

without deduction of the estimated future selling costs. Fair value is based on the most recent valuations available from their respective fund managers.

Other unquoted investments are valued using primary valuation techniques such as earnings multiples, recent transactions and net assets where reliable estimates can be made – otherwise at cost less any impairment.

Changes in fair value and gains and losses arising on the disposal of investments are credited or charged to the income or expenditure section of the SOFA as 'gains or losses on investments' and are allocated to the fund holding or disposing of the relevant investment.

11. Other Financial Instruments

a. Derivatives

The College does not currently invest in derivatives. These include forward foreign currency contracts which are used to reduce exposure to foreign exchange rates, and interest rate swaps that are used to adjust interest rate exposures. Derivative financial instruments are initially measured at fair value on the date the contract is entered into and are subsequently measured at fair value. Changes in fair value are credited or charged to the income or expenditure section of the SOFA. Hedge accounting is not currently applied to derivatives.

b. Cash and cash equivalents

Cash and cash equivalents include cash at banks and in hand and short term deposits with an initial maturity date of three months or less.

c. Debtors and creditors

Debtors and creditors receivable or payable within one year of the reporting date are carried at their transaction price. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payment discounted at a market rate of interest.

12. Stocks

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

13. Foreign currencies

The functional and presentation currency of the College and its subsidiaries is the pound sterling.

Transactions denominated in foreign currencies during the year are translated into pounds sterling using the spot exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into pounds sterling at the rates applying at the reporting date.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the exchange rates at the reporting date are recognised in the income and expenditure section of the SOFA.

14. 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 standard 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 component of the endowment known as the unapplied total return that can be either be retained for investment or release to income at the discretion of the Governing Body.

Brasenose College
Statement of Accounting Policies
Year ended 31 July 2017

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

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

15. Fund accounting

The total funds of the College and its subsidiaries are allocated to unrestricted, restricted or endowment funds based on the origins of the funds and the terms set by the donors. Endowment funds are further subdivided 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 transfers to appropriate designated funds will account for a specific purpose and this.

Restricted funds comprise gifts, legacies and grants where the donors have specified that the funds are to be used for particular purposes of the college. 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 part of the total return arising from the capital that is allocated to income 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.

16. Pension costs

The costs of retirement benefits provided to employees of the College through three multi-employer defined pension schemes are accounted for as if these were defined contribution schemes as information is not available to use defined benefit accounting in accordance with the requirements of FRS 102. The College's contributions to these schemes are recognised as a liability and an expense in the period in which the salaries to which the contributions relate are payable.

In addition, a liability is recognised at the balance sheet date for the discounted value of the expected future contribution payments under the agreements with these multi-employer schemes to fund the past service deficits.

Brasenose College
Consolidated Statement of Financial Activities
For the year ended 31 July 2017

| | Notes | Unrestricted Funds £'000 | Restricted Funds £'000 | Endowed Funds £'000 | 2017 Total £'000 | 2016 Total £'000 |
|--|--------|--------------------------------|------------------------------|---------------------------|------------------------|------------------------|
| INCOME AND ENDOWMENTS FROM: | | | | | | |
| Charitable activities: | | | | | | |
| Teaching, research and residential | 1 | 5,978 | - | - | 5,978 | 5,860 |
| Other Trading Income | 3 | 225 | - | - | 225 | 212 |
| Donations and legacies | 2 | 2,031 | 374 | 403 | 2,808 | 5,344 |
| Investments | | | | | | |
| Investment income | 4 | 64 | - | 2,420 | 2,484 | 2,671 |
| Total return allocated to income | 13 | 3,435 | 450 | (3,885) | - | - |
| Other income | | - | - | - | - | 36 |
| Total income | | 11,733 | 824 | (1,063) | 11,495 | 14,123 |
| EXPENDITURE ON: | | | | | | |
| Charitable activities: | | | | | | |
| Teaching, research and residential | | 9,349 | 157 | - | 9,506 | 9,509 |
| Generating funds: | | | | | | |
| Fundraising | | 656 | - | - | 656 | 594 |
| Trading expenditure | | 71 | - | - | 71 | 68 |
| Investment management costs | | 23 | - | 46 | 69 | 233 |
| Total Expenditure | | 10,099 | 157 | 46 | 10,302 | 10,404 |
| Net Income/(Expenditure) before gains | | 1,634 | 667 | (1,109) | 1,192 | 3,719 |
| Net gains/(losses) on investments | 10, 11 | - | - | 13,995 | 13,995 | 12,140 |
| Net Income/(Expenditure) | | 1,634 | 667 | 12,886 | 15,187 | 15,859 |
| Transfers between funds | 18 | - | - | - | - | - |
| Net movement in funds for the year | | 1,634 | 667 | 12,886 | 15,187 | 15,859 |
| Fund balances brought forward | 18 | 18,943 | 4,616 | 125,995 | 149,554 | 133,695 |
| Funds carried forward at 31 July | | 20,577 | 5,283 | 138,881 | 164,742 | 149,554 |

Brasenose College
Consolidated and College Balance Sheets
As at 31 July 2017

| | Notes | 2017 Group £'000 | 2016 Group £'000 | 2017 College £'000 | 2016 College £'000 |
|--|-------|------------------------|------------------------|--------------------------|--------------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 9 | 26,869 | 25,536 | 27,303 | 25,973 |
| Property investments | 10 | 34,251 | 33,525 | 34,251 | 33,525 |
| Other Investments | 11 | 111,684 | 91,105 | 111,684 | 91,105 |
| Total Fixed Assets | | 172,804 | 150,166 | 173,238 | 150,603 |
| CURRENT ASSETS | | | | | |
| Stocks | | 262 | 265 | 257 | 257 |
| Debtors | 14 | 4,872 | 4,910 | 4,978 | 4,967 |
| Investments | | 7,000 | 3,000 | 7,000 | 3,000 |
| Cash at bank and in hand | | 11,661 | 3,006 | 11,466 | 2,873 |
| Total Current Assets | | 23,795 | 11,181 | 23,701 | 11,097 |
| LIABILITIES | | | | | |
| Creditors: Amounts falling due within one year | 15 | 1,925 | 1,357 | 2,153 | 1,217 |
| NET CURRENT ASSETS | | 21,870 | 9,824 | 21,548 | 9,880 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 194,674 | 159,990 | 194,786 | 160,483 |
| CREDITORS: falling due after more than one year | 16 | 29,000 | 9,000 | 29,000 | 9,000 |
| Provisions for liabilities and charges | 17 | 50 | 50 | 50 | 50 |
| NET ASSETS BEFORE PENSION ASSET OR LIABILITY | | 165,624 | 150,940 | 165,736 | 151,433 |
| Defined benefit pension scheme liability | 22 | 882 | 1,386 | 883 | 1,386 |
| TOTAL NET ASSETS | | 164,742 | 149,554 | 164,853 | 150,047 |
| FUNDS OF THE COLLEGE | | | | | |
| Endowment funds | | 138,846 | 125,995 | 138,846 | 125,995 |
| Restricted funds | | 3,530 | 4,616 | 3,530 | 4,616 |
| Unrestricted funds | | | | | |
| Designated funds | | 2,589 | 686 | 2,589 | 686 |
| General funds | | 19,605 | 18,085 | 19,716 | 18,578 |
| Pension reserve | 22 | 172 | 172 | 172 | 172 |
| | | 164,742 | 149,554 | 164,853 | 150,047 |

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

Trustee:

Trustee:

Brasenose College
Consolidated Statement of Cash Flows
For the year ended 31 July 2017

| | | 2017 | 2016 |
|---|-------|-----------------|-----------------|
| | Notes | £'000 | £'000 |
| Net cash used in operating activities | 25 | <u>(266)</u> | <u>(1,703)</u> |
| Cash flows from investing activities | | | |
| Dividends, interest and rents from investments | | 2,484 | 2,671 |
| Finance costs paid | | (576) | (413) |
| Purchase of property, plant and equipment | | (2,074) | (1,824) |
| Capital receipts in relation to Investment Land & Property | | 53 | 273 |
| Purchase of investment Land & Property | | (34) | (5,642) |
| Proceeds from sale of investments | | 15,681 | 23,105 |
| Purchase of investments | | <u>(23,012)</u> | <u>(27,208)</u> |
| Net cash used in investing activities | | <u>(7,478)</u> | <u>(9,038)</u> |
| Cash flows from financing activities | | | |
| Cash inflows from new borrowing | | 20,000 | - |
| Receipt of endowment | | 403 | 2,053 |
| Net cash provided by financing activities | | <u>20,403</u> | <u>2,053</u> |
| Change in cash and cash equivalents in the reporting period | | <u>12,658</u> | <u>(8,688)</u> |
| Cash and cash equivalents at the beginning of the reporting period | | 6,003 | 14,692 |
| Change in cash and cash equivalents due to exchange rate movements | | | |
| Cash and cash equivalents at the end of the reporting period | 26 | <u>18,661</u> | <u>6,004</u> |

Brasenose College
Notes to the financial statements
For the year ended 31 July 2017

| | | | |
|----------|--|---------------------|---------------------|
| 1 | INCOME FROM CHARITABLE ACTIVITIES | | |
| | | 2017 | 2016 |
| | | £'000 | £'000 |
| | Teaching, Research and Residential | | |
| | Unrestricted funds | | |
| | Tuition fees - UK and EU students | 1,542 | 1,633 |
| | Tuition fees - Overseas students | 604 | 542 |
| | Other fees | 69 | 75 |
| | Other HEFCE support | 180 | 174 |
| | Other academic income | 89 | 130 |
| | College residential income | 3,494 | 3,306 |
| | Total income from charitable activities | <u>5,978</u> | <u>5,860</u> |

The above analysis includes £2,652k received from Oxford University from publicly accountable funds under the CFF Scheme (2016: £2,349k).

Under the terms of the undergraduate student support package offered by Oxford University to students from lower income households, the college share of the fees waived amounted to £19k (2016: £35k). These are not included in the fee income reported above.

| | | | |
|----------|-------------------------------|---------------------|---------------------|
| 2 | DONATIONS AND LEGACIES | | |
| | | 2017 | 2016 |
| | | £'000 | £'000 |
| | Donations and Legacies | | |
| | Unrestricted funds | 2,031 | 365 |
| | Restricted funds | 374 | 2,926 |
| | Endowed funds | 403 | 2,053 |
| | | <u>2,808</u> | <u>5,344</u> |

| | | | |
|----------|---|-------------------|-------------------|
| 3 | INCOME FROM OTHER TRADING ACTIVITIES | | |
| | | 2017 | 2016 |
| | | £'000 | £'000 |
| | Subsidiary company trading income | 224 | 210 |
| | Other trading income | 1 | 2 |
| | | <u>225</u> | <u>212</u> |

| | | | |
|----------|--------------------------------|---------------------|---------------------|
| 4 | INVESTMENT INCOME | | |
| | | 2017 | 2016 |
| | | £'000 | £'000 |
| | <i>Unrestricted funds</i> | | |
| | Equity dividends | 10 | 11 |
| | Bank interest | 40 | 51 |
| | Other interest | 14 | 15 |
| | | <u>64</u> | <u>77</u> |
| | <i>Endowed funds</i> | | |
| | Agricultural rent | 165 | 164 |
| | Commercial rent | 888 | 620 |
| | Other property income | 150 | 148 |
| | Equity dividends | 1,217 | 1,560 |
| | Other investment income | - | 87 |
| | Bank interest | - | 15 |
| | | <u>2,420</u> | <u>2,594</u> |
| | Total investment income | <u>2,484</u> | <u>2,671</u> |

| | | | |
|----------|--|---------------------|---------------------|
| 5 | ANALYSIS OF EXPENDITURE | | |
| | | 2017 | 2016 |
| | | £'000 | £'000 |
| | Charitable expenditure | | |
| | Direct staff costs allocated to: | | |
| | Teaching, research and residential | 4,296 | 4,097 |
| | Other direct costs allocated to: | | |
| | Teaching, research and residential | 2,922 | 2,853 |
| | Support and governance costs allocated to: | | |
| | Teaching, research and residential | 2,286 | 2,559 |
| | Total charitable expenditure | <u>9,504</u> | <u>9,509</u> |

Brasenose College
Notes to the financial statements
For the year ended 31 July 2017

| | 2017 | 2016 |
|--|---------------|---------------|
| | £'000 | £'000 |
| Expenditure on generating funds | | |
| Direct staff costs allocated to: | | |
| Fundraising | 393 | 345 |
| Trading expenditure | - | 2 |
| Other direct costs allocated to: | | |
| Fundraising | 186 | 171 |
| Trading expenditure | 67 | 38 |
| Investment management costs | 47 | 145 |
| Support and governance costs allocated to: | | |
| Fundraising | 77 | 78 |
| Trading expenditure | 4 | 28 |
| Investment management costs | 24 | 88 |
| Total expenditure on raising funds | <u>798</u> | <u>895</u> |
| Total expenditure | <u>10,302</u> | <u>10,404</u> |

The 2016 resources expended of £10,404k represented £9,553k from unrestricted funds, £618k from restricted funds and £233k from endowed funds.

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. Contributions are calculated annually in accordance with regulations made by the Council of the University of Oxford.

The teaching and research costs include College Contribution payable of £82k (2016 - £62k).

6 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

| | Generating Funds £'000 | Teaching and Research £'000 | 2017 Total £'000 |
|--------------------------|------------------------------|--------------------------------------|---------------------------------|
| 2017 | | | |
| Financial administration | 50 | 246 | 296 |
| Domestic administration | 21 | 509 | 530 |
| Investment Management | 1 | - | 1 |
| Human resources | 4 | 378 | 382 |
| IT | 26 | 287 | 313 |
| Depreciation | - | 742 | 742 |
| Bank interest payable | - | 576 | 576 |
| Other finance charges | - | (474) | (474) |
| Governance costs | 3 | 22 | 25 |
| | <u>105</u> | <u>2,286</u> | <u>2,391</u> |
| | | | |
| | Generating Funds £'000 | Teaching and Research £'000 | 2016 Total £'000 |
| 2016 | | | |
| Financial administration | 72 | 273 | 345 |
| Domestic administration | 36 | 469 | 505 |
| Investment Management | 56 | - | 56 |
| Human resources | 3 | 272 | 275 |
| IT | 24 | 263 | 287 |
| Depreciation | - | 673 | 673 |
| Bank interest payable | - | 413 | 413 |
| Other finance charges | - | 172 | 172 |
| Governance costs | 3 | 24 | 27 |
| | <u>194</u> | <u>2,559</u> | <u>2,753</u> |

Financial and domestic administration, IT and human resources costs are attributed according to the estimated staff time spent on each activity.

Depreciation costs and profit or loss on disposal of fixed assets are attributed according to the use made of the underlying assets.

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

Governance costs are allocated according to the estimated audit workload.

Brasenose College
Notes to the financial statements
For the year ended 31 July 2017

| | 2017 | 2016 |
|--|-----------|-----------|
| | £'000 | £'000 |
| Governance costs comprise: | | |
| Auditor's remuneration - audit services | 25 | 25 |
| Auditor's remuneration - assurance services other than audit | - | |
| Auditor's remuneration - tax advisory services | - | 2 |
| Auditor's remuneration - other services | - | |
| Legal and other fees on constitutional matters | 1 | |
| Other governance costs | - | |
| | <u>26</u> | <u>27</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.

| 7 GRANTS AND AWARDS | 2017 | 2016 |
|--|------------|------------|
| | £'000 | £'000 |
| During the year the College funded research awards and bursaries to students from its restricted and unrestricted fund as follows: | | |
| Unrestricted funds | | |
| Grants to individuals: | | |
| Scholarships, prizes and grants | 165 | 152 |
| Bursaries and hardship awards | 103 | 1 |
| Graduate Studentships | 52 | 52 |
| Total unrestricted | <u>320</u> | <u>205</u> |
| Restricted funds | | |
| Grants to individuals: | | |
| Scholarships, prizes and grants | 20 | 30 |
| Bursaries and hardship awards | 5 | 106 |
| Graduate Studentships | 112 | 160 |
| Grants to other institutions | - | 7 |
| Total restricted | <u>137</u> | <u>303</u> |
| Total grants and awards | <u>457</u> | <u>508</u> |

The figure included above represents the cost to the College of the Oxford Bursary scheme. Students of this college received £185k (2016: £185k). Some of those students also received fee waivers amounting to £19k (2016: £35k).

The above costs are included within the charitable expenditure on Teaching and Research. Grants to other institutions comprise an increase in the provision set aside for the sharing of unspent income funds with a common beneficiary.

| 8 STAFF COSTS | 2017 | 2016 |
|---|--------------|--------------|
| | £'000 | £'000 |
| The aggregate staff costs for the year were as follows. | | |
| Salaries and wages | 4,435 | 4,250 |
| Social security costs | 334 | 294 |
| Pension costs: | | |
| Defined benefit schemes | 657 | 668 |
| Defined contribution schemes | 11 | 6 |
| Other benefits | 18 | 61 |
| Pension deficit liability movement | (474) | 131 |
| | <u>4,981</u> | <u>5,410</u> |

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

| | 2017 | 2016 |
|----------------------|------------|------------|
| Tuition and research | 28 | 31 |
| College residential | 81 | 78 |
| Fundraising | 5 | 5 |
| Support | 21 | 20 |
| Total | <u>135</u> | <u>134</u> |

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

| | | |
|-----------------------------|-----------|-----------|
| University Lecturers | 19 | 19 |
| CUF Lecturers | 9 | 12 |
| Other teaching and research | 2 | 2 |
| Other | 4 | 4 |
| Total | <u>34</u> | <u>37</u> |

Brasenose College
Notes to the financial statements
For the year ended 31 July 2017

Redundancy payments are accounted for in the period in which the employee were informed of the decision. Where redundancy costs are uncertain, the figure in the accounts represents a best estimate. These costs are be met through unrestricted funds. No payment were made in the year (£11k 2016)

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 | 4 | 1 |
| £70,001-£80,001 | - | 1 |
| £80,001-£90,001 | - | - |
| £90,001-£100,001 | 1 | - |
| £100,001-£110,001 | 1 | - |

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

| | | |
|---------------------------------|-----|-----|
| In defined benefits schemes | 144 | 144 |
| In defined contribution schemes | 24 | 21 |

The College contributions to defined contribution pension schemes totalled

| | |
|--------------|--------------|
| £'000 | £'000 |
| 6 | 6 |

Brasenose College
Notes to the financial statements
For the year ended 31 July 2017

9 TANGIBLE FIXED ASSETS

| Group | Freehold land and buildings £'000 | Plant and machinery £'000 | Fixtures, fittings and equipment £'000 | Total £'000 |
|------------------------------------|--|---------------------------------|---|------------------------|
| Cost | | | | |
| At start of year | 32,696 | 1,394 | 1,081 | 35,171 |
| Additions | 1,991 | 21 | 62 | 2,074 |
| At end of year | 34,687 | 1,415 | 1,143 | 37,245 |
| Depreciation and impairment | | | | |
| At start of year | 8,422 | 313 | 900 | 9,635 |
| Depreciation charge for the year | 596 | 76 | 69 | 741 |
| At end of year | 9,018 | 389 | 969 | 10,376 |
| Net book value | | | | |
| At end of year | 25,669 | 1,026 | 174 | 26,869 |
| At start of year | 24,274 | 1,081 | 181 | 25,536 |
| College | Freehold land and buildings £'000 | Plant and machinery £'000 | Fixtures, fittings and equipment £'000 | Total £'000 |
| Cost | | | | |
| At start of year | 33,134 | 1,394 | 1,081 | 35,609 |
| Additions | 1,995 | 22 | 64 | 2,081 |
| At end of year | 35,129 | 1,416 | 1,145 | 37,690 |
| Depreciation and impairment | | | | |
| At start of year | 8,423 | 313 | 900 | 9,636 |
| Charge for the year | 603 | 78 | 70 | 751 |
| At end of year | 9,026 | 391 | 970 | 10,387 |
| Net book value | | | | |
| At end of year | 26,103 | 1,025 | 175 | 27,303 |
| At start of year | 24,711 | 1,081 | 181 | 25,973 |

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.

10 PROPERTY INVESTMENTS

| Group and College | Agricultural £'000 | Commercial £'000 | Other £'000 | 2017 Total £'000 | 2016 Total £'000 |
|--|-----------------------|---------------------|----------------|---------------------------------|------------------------|
| Valuation at start of year | 14,521 | 14,610 | 4,394 | 33,525 | 25,755 |
| Additions and improvements at cost / capital expenditure | 25 | 8 | 1 | 34 | 5,642 |
| Disposals net proceeds / capital receipts | (10) | - | (43) | (53) | (273) |
| Revaluation gains in the year | 16 | 685 | 44 | 745 | 2,401 |
| Valuation at end of year | 14,552 | 15,303 | 4,396 | 34,251 | 33,525 |

A formal valuation of the Colleges property was undertaken in 2017 by Bidwells. Bidwells assessed the fair value of the colleges portfolio as at 31 July 2017 in accordance with UKVS 1.1 of the RICS valuation - Professional Standards (April 2015).

Brasenose College
Notes to the financial statements
For the year ended 31 July 2017

11 OTHER INVESTMENTS

All investments are held at fair value.

| | 2017 | 2016 |
|---|-----------------|----------|
| | £'000 | £'000 |
| Group investments | | |
| Valuation at start of year | 91,105 | 77,267 |
| New money invested | 23,012 | 27,208 |
| Amounts withdrawn | (15,681) | (23,105) |
| Increase in value of investments | 13,248 | 9,735 |
| Group investments at end of year | 111,684 | 91,105 |
| Investment in subsidiaries | - | - |
| College investments at end of year | 111,684 | 91,105 |

Group investments comprise:

| | Held outside the UK £'000 | Held in the UK £'000 | 2017 Total £'000 | Held outside the UK £'000 | Held in the UK £'000 | 2016 Total £'000 |
|-----------------------------------|---------------------------------|----------------------------|---|---------------------------------|----------------------------|------------------------|
| Equity investments | 28,614 | 56,981 | 85,595 | 14,095 | 52,382 | 66,477 |
| Global multi-asset funds | 9,361 | 6,016 | 15,377 | 14,995 | 5,384 | 20,379 |
| Property funds | - | 5,548 | 5,548 | - | 4,249 | 4,249 |
| Alternative and other investments | - | 5,164 | 5,164 | - | - | - |
| Total group investments | 37,975 | 73,709 | 111,684 | 29,090 | 62,015 | 91,105 |

Group investments include £70,709k of unlisted investments. Unlisted investments can be illiquid and are valued as at 30th June 2017. The June valuation is considered by the Trustees to provide an adequate estimate of value as at 31 July 2017.

12 PARENT AND SUBSIDIARY UNDERTAKINGS

The College holds 100% of the issued share capital in Brasenose Limited, a company providing conference and other event services on the College premises, and which is also authorised to provide design and build construction services to the College.

The results and their assets and liabilities of the parent and subsidiaries at the year end were as follows.

| | Brasenose College £'000 | Brasenose Limited £'000 |
|------------------------------------|-------------------------------|-------------------------------|
| Income | 11,335 | 212 |
| Expenditure | (10,412) | (98) |
| Donation to College under gift aid | 113 | (113) |
| Result for the year | 1,036 | 0 |
| Total assets | 196,939 | 222 |
| Total liabilities | (32,086) | (211) |
| Net funds at the end of year | 164,853 | 11 |

Brasenose College
Notes to the financial statements
For the year ended 31 July 2017

13 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 1/8/02. The investment return to be applied as income is calculated as 3.5% (2016: 3.5%) (plus costs) of the average of the year-end values of the relevant investments in each of the last five years. For donations to the endowment received within this five year period, income is calculated as 3.5% of the amount received. The amount applied as income for spending is included within the income section of the SOFA on the basis that this gives a clearer understanding of the financial position of the college. The preserved (frozen) value of the invested endowment capital represents its open market value in 2002 together with all subsequent endowments valued at the date of the gift.

| | Trust for Investment £'000 | Permanent Endowment Unapplied Total Return £'000 | Total £'000 | Expendable Endowment £'000 | Total Endowments £'000 |
|--|----------------------------------|--|----------------|----------------------------------|------------------------------|
| At the beginning of the year: | | | | | |
| Gift component of the permanent endowment | 50,805 | - | 50,805 | - | 50,805 |
| Unapplied total return | - | 58,170 | 58,170 | - | 58,170 |
| Expendable endowment | - | - | - | 17,028 | 17,028 |
| Total Endowments | 50,805 | 58,170 | 108,975 | 17,028 | 125,995 |
| Movements in the reporting period: | | | | | |
| Gift of endowment funds | 329 | - | 329 | 74 | 403 |
| Investment return: total investment income | - | 1,727 | 1,727 | 658 | 2,385 |
| Investment return: realised and unrealised gains and losses | - | 11,439 | 11,439 | 2,556 | 13,995 |
| Less: Investment management costs | - | (14) | (14) | (31) | (44) |
| Total | 329 | 13,153 | 13,482 | 3,256 | 16,738 |
| Unapplied total return allocated to income in the reporting period | - | (3,112) | (3,112) | (785) | (3,896) |
| Net movements in reporting period | 329 | 10,042 | 10,371 | 2,471 | 12,842 |
| At end of the reporting period: | | | | | |
| Gift component of the permanent endowment | 51,134 | - | 51,134 | - | 51,134 |
| Unapplied total return | - | 68,212 | 68,212 | - | 68,212 |
| Expendable endowment | - | - | - | 19,499 | 19,499 |
| Total Endowments | 51,134 | 68,212 | 119,346 | 19,499 | 138,845 |

14 DEBTORS

| | 2017 Group £'000 | 2016 Group £'000 | 2017 College £'000 | 2016 College £'000 |
|--|------------------------|------------------------|--------------------------|--------------------------|
| Amounts falling due within one year: | | | | |
| Trade debtors | 368 | 298 | 355 | 253 |
| Amounts owed by College members | 44 | 43 | 44 | 43 |
| Amounts owed by Group undertakings | - | - | 113 | 102 |
| Loans repayable within one year | 11 | 10 | 12 | 10 |
| Prepayments and accrued income | 3,077 | 3,069 | 3,079 | 3,069 |
| Other debtors | 15 | 24 | 16 | 24 |
| Amounts falling due after more than one year: | | | | |
| Amounts owed by College members | 1,357 | 1,466 | 1,359 | 1,466 |
| | 4,872 | 4,910 | 4,978 | 4,967 |

15 CREDITORS: falling due within one year

| | 2017 Group £'000 | 2016 Group £'000 | 2017 College £'000 | 2016 College £'000 |
|------------------------------------|------------------------|------------------------|--------------------------|--------------------------|
| Trade creditors | 460 | 377 | 416 | 362 |
| Amounts owed to College Members | 42 | 64 | 44 | 60 |
| Amounts owed to Group undertakings | (5) | - | - | - |
| Taxation and social security | 88 | 87 | 82 | 87 |
| College contribution | 72 | 72 | 72 | 72 |
| Accruals and deferred income | 1,155 | 686 | 1,137 | 636 |
| Other creditors | 113 | 71 | 402 | - |
| | 1,925 | 1,357 | 2,153 | 1,217 |

Brasenose College
Notes to the financial statements
For the year ended 31 July 2017

16 CREDITORS: falling due after more than one year

| | 2017 | 2016 | 2017 | 2016 |
|------------|---------------|-------|----------------|---------|
| | Group | Group | College | College |
| | £'000 | £'000 | £'000 | £'000 |
| Bank loans | 29,000 | 9,000 | 29,000 | 9,000 |
| | 29,000 | 9,000 | 29,000 | 9,000 |

In 2008 the College took out an unsecured bank loan at 4.575% fixed rate repayable in 2049. The College is investing each year in a designated fund to contribute to repayment of this loan in 2048.

In February 2017 the College issued £20m of fixed rate loan notes by private placement, at a fixed interest rate of 2.62%, repayable in 2057.

The Governing Body has allocated £8,000,000 to general funds to finance new student accommodation and £12,000,000 to the endowment.

17 PROVISIONS FOR LIABILITIES AND CHARGES

| | 2017 | 2016 | 2017 | 2016 |
|--|--------------|-------|----------------|---------|
| | Group | Group | College | College |
| | £'000 | £'000 | £'000 | £'000 |
| At start of year | 50 | 43 | 50 | 43 |
| Charged in the Statement of Financial Activities | - | 8 | - | 8 |
| At end of year | 50 | 50 | 50 | 50 |

The above provision relates to an amount that may become payable to a third party institution under the terms of a historic benefactors will.

18 ANALYSIS OF MOVEMENTS ON FUNDS

| | At 1 August 2016 £'000 | Incoming resources £'000 | Resources expended £'000 | Transfers £'000 | Gains £'000 | At 31 July 2017 £'000 |
|---|------------------------------|--------------------------------|--------------------------------|--------------------|----------------|-----------------------------|
| Endowment Funds - Permanent | | | | | | |
| Permanent Endowment Fund | 89,406 | 1,713 | - | (2,756) | 10,321 | 98,684 |
| Hulme Capital Fund | 5,856 | 113 | (7) | (181) | 588 | 6,369 |
| Tutorial/Classics Fellowship Capital Fund | 1,537 | 53 | (2) | (47) | 154 | 1,695 |
| Germaine Capital Fund | 963 | 19 | (1) | (30) | 97 | 1,047 |
| Lucas Bequest Capital Fund | 496 | 10 | (1) | (15) | 50 | 540 |
| Kwai Cheong Graduate Studentship Fund | 354 | 7 | 0 | (11) | 35 | 385 |
| Undergraduate Bursary Capital Fund | 1,625 | 136 | (2) | (50) | 162 | 1,871 |
| Jeffery Bequest (Mod Hist) Capital Fund | 150 | 3 | 0 | (5) | 15 | 163 |
| Profumo Capital Fund | 106 | 2 | 0 | (3) | 11 | 115 |
| 23 Other Funds for General Purposes | 8,473 | 1 | 0 | (2) | 7 | 8,479 |
| Total Permanent Endowment | 108,965 | 2,056 | (14) | (3,101) | 11,439 | 119,346 |

Brasenose College
Notes to the financial statements
For the year ended 31 July 2017

| 18 continued | At 1 August 2016 £'000 | Incoming resources £'000 | Resources expended £'000 | Transfers £'000 | Gains/ (losses) £'000 | At 31 July 2017 £'000 |
|---|------------------------------|--------------------------------|--------------------------------|--------------------|-----------------------------|-----------------------------|
| Endowment Funds - Expendable | | | | | | |
| Expendable Endowment (inc legacies) Fund | 90 | 76 | 0 | (3) | 9 | 172 |
| Hector Pilling Capital Fund | 1,311 | 25 | (2) | (40) | 132 | 1,426 |
| Fiddian Capital Fund | 1,198 | 23 | (1) | (37) | 120 | 1,303 |
| Roger Thomas Bequest Cap Fund | 1,090 | 21 | (1) | (34) | 109 | 1,186 |
| Bedford Capital Fund | 963 | 19 | (1) | (30) | 93 | 1,044 |
| Curran Capital Fund | 639 | 12 | (1) | (20) | 64 | 695 |
| Economics Fellowship Capital Fund | 1,639 | 32 | (2) | (51) | 169 | 1,787 |
| Cashmore Capital Fund | 370 | 18 | 0 | (11) | 38 | 414 |
| Garrick Law Fellowship Capital Fund | 1,562 | 30 | (2) | (48) | 157 | 1,699 |
| Politics Fellowship Capital Fund | 1,173 | 118 | (1) | (36) | 118 | 1,372 |
| Ellesmere Law Endowment Capital Fund | 411 | 69 | 0 | (13) | 41 | 508 |
| Kyprianou Grad Stud Capital Fund | 670 | 13 | (1) | (21) | 67 | 729 |
| Jeffrey Cheah Fund-Capital Fund | 1,500 | 29 | (2) | (46) | 151 | 1,631 |
| Various Funds for General Purposes | 4,412 | 247 | (16) | (396) | 1,286 | 5,535 |
| Total Expendable Endowment Funds | 17,028 | 732 | (31) | (785) | 2,555 | 19,499 |
| Total Endowment Funds - College | 125,993 | 2,788 | (44) | (3,885) | 13,995 | 138,846 |
| Endowment funds held by subsidiaries | - | - | - | - | - | - |
| Total Endowment Funds - Group | 125,993 | 2,788 | (44) | (3,885) | 13,995 | 138,846 |
| Restricted Funds | | | | | | |
| Deferred Capital Fund | 266 | - | - | - | - | 266 |
| Fiddian Income Fund | 219 | - | - | 37 | - | 256 |
| Germaine Income Fund | 14 | - | (28) | 30 | - | 16 |
| Hector Pilling Income Fund | 17 | - | (38) | 40 | - | 19 |
| Peter Moores Chinese Bus Stud Fund | (0) | 16 | - | - | - | 16 |
| Major Gifts Restricted Campaign Fund | 24 | 58 | (6) | - | - | 77 |
| Barry Nicholas Income Fund | 12 | - | - | 4 | - | 16 |
| Student Support Annual Fund | - | 106 | - | (6) | - | 99 |
| Old Cloisters Library Project | 3,753 | 74 | (1,754) | - | - | 2,072 |
| Kwai Cheong Grad Studentship Income Fund | 21 | - | (13) | 11 | - | 19 |
| Undergraduate Bursary Income Fund | (0) | - | - | 50 | - | 50 |
| Kyprianou Grad Stud Income Fund | - | - | (27) | 27 | - | (0) |
| 5 funds for Student Support | 25 | - | (5) | 16 | - | 37 |
| 2 funds to support Archive and Library | 15 | 29 | (4) | 4 | - | 44 |
| 7 funds to support Tutorial Fellowships | 36 | - | 0 | 230 | - | 266 |
| Other minor funds | 212 | 92 | (34) | 6 | - | 276 |
| Total Restricted Funds - College | 4,614 | 374 | (1,909) | 450 | - | 3,530 |
| Restricted funds held by subsidiaries | - | - | - | - | - | - |
| Total Restricted Funds - Group | 4,614 | 374 | (1,909) | 450 | - | 3,530 |
| Unrestricted Funds | | | | | | |
| Loan Repayment Fund | 305 | - | - | - | - | 305 |
| Roger Thomas Bequest Income Fund | 155 | - | - | 34 | - | 189 |
| Reynolds Prize Inc Fund | 5 | - | - | 0 | - | 5 |
| Thomas & Jones Inc Fund | 8 | - | - | 1 | - | 8 |
| Global History of Capitalism | - | 35 | - | - | - | 35 |
| Benefactions Income Fund | - | - | - | 2 | - | 2 |
| Hulme Income Fund | - | 72 | (253) | 181 | - | 0 |
| Bedford Income Fund | 155 | - | - | 30 | - | 185 |
| Michael Woods Income Fund | 3 | - | (3) | (0) | - | (0) |
| Unrestricted/Greatest Need Annual Fund | - | 280 | (157) | - | - | 123 |
| Unrestricted Campaign Fund | - | 130 | - | - | - | 130 |
| JCR Dilapidation Fund | 7 | 1 | 0 | - | - | 8 |
| HCR Dilapidation Fund | 10 | 1 | - | - | - | 11 |
| BNC Australia Scholarship Income Fund | 2 | - | (4) | 2 | - | 0 |
| Delafield Fund | 36 | 50 | - | - | - | 86 |
| Lecture Room XI | - | 1,500 | - | - | - | 1,500 |
| Total designated funds | 686 | 2,069 | (416) | 250 | - | 2,589 |
| General funds | 18,089 | 6,265 | (7,933) | 3,185 | - | 19,605 |
| Pension reserve | 172 | - | - | - | - | 172 |
| Total Unrestricted Funds - College | 18,947 | 8,333 | (8,349) | 3,435 | - | 22,366 |
| Total funds - College | 149,554 | 11,707 | (10,513) | (0) | 13,995 | 164,742 |
| Unrestricted funds held by subsidiaries | - | 212 | (211) | - | - | 0 |
| Total Unrestricted Funds - Group | 18,947 | 8,545 | (8,561) | 3,435 | - | 22,366 |
| Total Funds | 149,554 | 11,707 | (10,513) | (0) | 13,995 | 164,742 |

19 FUNDS OF THE COLLEGE DETAILS

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

Endowment Funds - Permanent:

| | |
|---------------------------------------|---|
| Permanent Endowment Fund | A consolidation of gifts and donations which comprise the historic endowment of the College, and which the Governing Body considers to be permanent endowment |
| Hulme Capital Fund | Capital balance of past donations from the Hulme (Educational) Trust in Manchester, which are given for the general purposes of the College |
| Grimbaldson Capital Fund | A consolidation of gifts and donations |
| Somerset Thornhill Capital Fund | 1686 capital balance of past donations for general purposes |
| Tutorial/Classics Fellowship Fund | A 2009/10 fund in support of Tutorial Fellowships. |
| Germaine Capital Fund | 1972 Will Trust Fund to support scholarships for Home/EU graduates |
| Humphries Capital Fund | 1952 Will Trust Fund to support scholarships |
| Heath Harrison Capital Fund | Capital balance of a past donation to support the general purposes of the College |
| Lucas Bequest Capital Fund | To support a Junior Research Fellow/research activities |
| Somerset Iver Capital Fund | 1686 for general purposes |
| John Watson Capital Fund | 1899 for general purposes |
| Kwai Cheong Graduate Studentship Fund | 2009/10 to fund a Dphil studentship for a student preferably from China |
| Collins Capital Fund | 1939 for general purposes |
| Undergraduate Bursary Fund | A 2010/11 to support undergraduate bursaries |
| Jeffery Bequest Capital Fund | 1975 to support the publication of learned works, and/or an exhibition in History |
| Profumo Capital Fund | 1940 to support extra-curricular activities of undergraduates of educational benefit |

Endowment Funds - Expendable:

| | |
|--|--|
| Hector Pilling Capital Fund | 1988 to support graduate scholarships/studentships preferably RAF/Commonwealth |
| Stallybrass Bequest Capital Fund | 1948 to support the teaching of law |
| Trust Fund Surplus Income Capital Fund | Capitalised balance of past surplus income for general purposes |
| Fiddian Capital Fund | For the support of undergraduate/graduate students from Monmouth/Haberdashers Schools |
| Roger Thomas Bequest Capital Fund | For the furtherance of education |
| Bedford Capital Fund | 1996 bequest for general purposes |
| Curran Capital Fund | 1965 supports the Curran Tutor in Physiology |
| Stallybrass Memorial Capital Fund | Consolidation of donations raised by the Brasenose Society in 1949, for general purposes |
| Peters Capital Fund | For general purposes |
| Economics Fellowship Fund | For the endowment of a Fellowship in economics |
| Cashmore Capital Fund | Valedictory fund in name of former Principal for bursaries |
| Garrick Law Fellowship Capital Fund | For the endowment of a Fellowship in law |
| Politics Fellowship Capital Fund | For the endowment of a Fellowship in politics |
| Ellesmere Law Endowment Capital Fund | For the support of teaching and research in law |
| Kyprianou Graduate Studentship Fund | Donated funds to support a graduate studentship for a Cypriot resident |
| Jeffrey Cheah Capital Fund | Endowment to support the Jeffrey Cheah Fellowships and graduate studentship programmes |
| Global History of Capitalism | Donated funds to support research project |

Restricted Funds:

| | |
|--------------------------------------|--|
| Deferred Capital Fund | This fund is amortised over the life time of the relevant capital asset |
| Peter Moores Fund | An income fund which supports the post of the Tutor in Chinese Management Studies. The underlying endowment funds are held by the University |
| Major Gifts Restricted Campaign Fund | A consolidation of recent donations for restricted purposes |
| Barry Nicholas Income Fund | Anonymous donation in memory of former Principal to support a graduate law scholar intending to practise at the bar of England & Wales |
| Student Support Annual Fund | Regular giving by alumni in support of grant funding to individual students |
| Old Cloisters Library Project | Funds raised to support the Old Cloisters library development project |
| Various Income Funds | Various fund which generate income for the related Restricted Income Fund. |

Designated Funds

| | |
|---------------------|--|
| Loan repayment fund | Unrestricted funds which were set aside in order to repay the loan in 2048. |
| BNC Australia | Funds raised and set aside to match-fund the Oxford Australia Scholarship programme |
| Delafield Fund | Funds received from the Delafield Trust, which was created by way of a legacy. |
| Various | The College has designated funds for a variety of purposes, which are currently under review |

The General Unrestricted Funds represent accumulated income from the College's activities and other sources that are available for the general purposes of the College. The College policy is to disclose only the most significant funds individually.

Brasenose College
Notes to the financial statements
For the year ended 31 July 2017

20 ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted Funds £'000 | Restricted Funds £'000 | Endowment Funds £'000 | 2017 Total £'000 |
|-----------------------|--------------------------------|------------------------------|-----------------------------|------------------------|
| 2017 | | | | |
| Tangible fixed assets | 23,310 | 3,559 | - | 26,869 |
| Property investments | - | - | 34,251 | 34,251 |
| Other investments | 332 | - | 111,352 | 111,684 |
| Net current assets | 16,606 | (29) | 5,243 | 21,820 |
| Long term liabilities | (17,882) | - | (12,000) | (29,882) |
| | <u>22,366</u> | <u>3,530</u> | <u>138,846</u> | <u>164,742</u> |
| | Unrestricted Funds £'000 | Restricted Funds £'000 | Endowment Funds £'000 | 2016 Total £'000 |
| 2016 | | | | |
| Tangible fixed assets | 23,715 | 1,821 | - | 25,536 |
| Property investments | - | - | 33,525 | 33,525 |
| Other investments | 304 | - | 90,801 | 91,105 |
| Net current assets | 5,310 | 2,795 | 1,669 | 9,774 |
| Long term liabilities | (10,386) | - | - | (10,386) |
| | <u>18,943</u> | <u>4,616</u> | <u>125,995</u> | <u>149,554</u> |

Brasenose College
Notes to the financial statements
For the year ended 31 July 2017

21 TRUSTEES' REMUNERATION

Trustees of the college fall into the following categories:

The Principal

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

Professorial Fellows

Those Supernumerary Fellows who have been elected to Governing Body.

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. These salaries are paid on external academic and academic-related scales and often are joint arrangements with the University of Oxford. Remuneration is set on the basis of the advice of the College's Remuneration Committee, members of which are Fellows not in receipt of remuneration from the College. Where possible, remuneration is set in line with that awarded to the University's academic staff. The composition of the Remuneration Committee is set out in the section on Governing Body, Officers and Advisers.

All Tutorial and Official Fellows are eligible for a Housing Allowance, which is disclosed within the salary figures below, unless they live in accommodation provided by the College.

Some trustees receive additional allowances for additional work carried out as part time college officers (such as the Dean, Tutor for Graduates, Vice Principal, Fellow Librarian). These amounts are included within the remuneration disclosed below. The total remuneration and taxable benefits as shown below is £1,484k (2016 £1,477k).

Remuneration paid to trustees

| Trustee Name | Salary | Pension | Benefits | 2017 | | 2016 | |
|-------------------------|----------------|----------------|----------------|------------------|-------------------------|------------------|--|
| | | | | Total | Trustee Name | Total | |
| Mr John Bowers | 102,183 | 18,393 | 10,127 | 129,341 | Mr John Bowers | 100,055 | |
| Mr Philip Parker | 88,030 | 15,845 | - | 102,702 | Prof Alan Bowman | 22,159 | |
| Dr Simon Smith | 63,009 | 13,037 | 10,464 | 85,544 | Mr Philip Parker | 100,933 | |
| Dr Liz Miller | 60,991 | 10,978 | - | 71,156 | Dr Simon Smith | 84,299 | |
| Dr David Groiser | 36,866 | 8,331 | 14,825 | 60,022 | Dr Alan Strathern | 73,611 | |
| Dr Simon Palfrey | 38,926 | 8,702 | 13,244 | 59,884 | Dr Liz Miller | 70,446 | |
| Mr William Swadling | 36,866 | 8,331 | 13,163 | 58,360 | Dr Simon Palfrey | 59,321 | |
| Dr Christopher Timpson | 36,866 | 8,331 | 13,596 | 58,176 | Dr Christopher Timpson | 57,487 | |
| Dr Llewelyn Morgan | 38,926 | 8,702 | 11,164 | 57,804 | Dr Llewelyn Morgan | 57,241 | |
| Dr Ed Bispham | 36,866 | 8,331 | 11,164 | 56,361 | Mr William Swadling | 56,178 | |
| Dr Abigail Green | 36,866 | 8,331 | 11,164 | 55,744 | Dr Abigail Green | 55,201 | |
| Dr Alan Strathern | 37,351 | 8,418 | 9,416 | 54,562 | Dr David Groiser | 54,896 | |
| Prof Adam Perry | 32,764 | 7,592 | 9,596 | 49,390 | Dr Ed Bispham | 54,896 | |
| Dr Sos Eltis | 27,649 | 6,672 | 9,416 | 43,243 | Prof Richard Cooper | 54,126 | |
| Dr David Popplewell | 26,247 | 4,724 | - | 27,875 | Dr Sos Eltis | 42,774 | |
| Prof Conrad Nieduzynski | 9,868 | 3,471 | 13,720 | 26,802 | Dr Dave Leal | 41,059 | |
| Dr Thomas Krebs | 9,868 | 3,471 | 13,514 | 26,596 | Rev Dr Dominic Keech | 30,003 | |
| Dr Mark Wilson | 9,868 | 3,471 | 13,491 | 26,573 | Dr Rui Esteves | 29,797 | |
| Dr Christopher McKenna | 9,868 | 3,471 | 13,304 | 26,386 | Dr David Popplewell | 27,693 | |
| Dr Harvey Burd | 9,868 | 3,471 | 13,244 | 26,326 | Dr Thomas Krebs | 26,396 | |
| Dr Eamonn Gaffney | 9,868 | 3,471 | 13,224 | 26,306 | Dr Mark Wilson | 26,373 | |
| Prof Andrea Ruggeri | 9,868 | 3,471 | 11,972 | 25,054 | Dr Christopher McKenna | 26,186 | |
| Dr Owen Lewis | 9,868 | 3,471 | 11,624 | 24,706 | Dr Harvey Burd | 26,126 | |
| Prof Konstantin Ardakov | 9,581 | 3,419 | 11,790 | 24,537 | Dr Eamonn Gaffney | 26,106 | |
| Prof Jonathan Jones | 9,868 | 3,471 | 11,164 | 24,246 | Dr Owen Lewis | 24,462 | |
| Dr Giles Wiggs | 9,868 | 3,471 | 10,999 | 24,081 | Prof Jonathan Jones | 24,046 | |
| Dr Jeremy Robertson | 9,868 | 3,471 | 10,814 | 23,896 | Prof Konstantin Ardakov | 23,976 | |
| Prof Ronald Daniel | 9,868 | 3,471 | 10,814 | 23,896 | Dr Giles Wiggs | 23,837 | |
| Dr Rui Esteves | 9,868 | 3,471 | 10,115 | 23,454 | Dr Jeremy Robertson | 23,688 | |
| Rev Judith Brown | 15,301 | 4,169 | 7,860 | 23,161 | Prof Ronald Daniel | 23,688 | |
| Dr Eric Thun | 9,868 | 3,471 | 9,416 | 22,498 | Dr Eric Thun | 22,254 | |
| Dr Elias Dinas | 9,032 | 3,321 | 9,416 | 21,523 | Dr Elias Dinas | 20,987 | |
| Dr Ian Kiaer | 7,308 | 2,728 | 7,847 | 15,155 | Prof Andrea Ruggeri | 16,009 | |
| Dr Robert Fender | 9,868 | 1,776 | 2,997 | 14,510 | Prof Conrad Nieduzynski | 12,983 | |
| Rev Dr Dominic Keech | 10,764 | 1,938 | 270 | 12,828 | Dr Robert Fender | 11,658 | |
| Dr Ferdinand Rauch | 9,303 | 1,675 | 270 | 11,124 | Dr Ferdinand Rauch | 10,693 | |
| Prof Elspeth Garman | 10,300 | - | - | 10,300 | Prof Elspeth Garman | 10,240 | |
| Prof Gianni Zifarelli | 8,516 | 1,533 | - | 9,935 | Prof Gianni Zifarelli | 9,541 | |
| Prof Richard Cooper | 6,078 | 1,373 | 2,269 | 9,618 | Dr Thomas Johansen | 7,890 | |
| Prof Geoff Bird | 5,756 | 1,036 | 1,678 | 5,756 | Dr Anne Davies | 4,990 | |
| Dr Sonali Nag | - | - | 2,232 | 2,232 | Prof Guy Houlby | 1,792 | |
| Prof William James | - | - | 1,398 | 1,398 | Prof William James | 1,434 | |
| Prof Guy Houlby | - | - | 1,398 | 1,398 | Dr Anne Edwards | - | |
| Dr Anne Edwards | - | - | - | - | Prof Paul Klenerman | - | |
| Prof Anne Davies | - | - | - | - | Prof Nicholas Purcell | - | |
| Prof Birke Haecker | - | - | - | - | Prof Stefan Vogenauer | - | |
| Prof Paul Klenerman | - | - | - | - | | | |
| Prof Nicholas Purcell | - | - | - | - | | | |
| Mr S Shogry | - | - | - | - | | | |
| | <u>940,365</u> | <u>216,280</u> | <u>354,179</u> | <u>1,484,455</u> | Total | <u>1,477,527</u> | |

Other transactions with trustees

No trustee claimed expenses for any work performed in discharge of duties as a trustee

22 PENSION SCHEMES
Pension Scheme Provisions

Brasenose College is a member of the Universities Superannuation Scheme (USS) and University of Oxford Staff Pension Scheme (OSPS), these are multi-employer pension schemes both of which are in deficit. The College has recognised a provision for its commitments under the agreed deficit reduction plans for each scheme, in calculating these provisions the College has estimated that salary expense will increase at 2.4–4.4% p.a. and the liability is discounted at a 15 year corporate bond rate of 1.55% (2016: 1.4%). A sensitivity analysis to changes in salary and discount rate changes is shown below.

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). The schemes are contributory defined benefit schemes (i.e. they provide benefits based on length of service and pensionable salary) and until April 2016 were contracted out from the State Second Pension Scheme. The assets of USS and OSPS are each held in separate trustee-administered funds. The schemes are multi-employer schemes and the University 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 FRS 102 paragraph 28.11, the College accounts for the schemes as if they were defined contribution schemes. As a result, the amount charged to the Statement of Comprehensive Income 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.

The College has made available the National Employment Savings Trust for non-employees who are eligible under automatic enrolment regulations to pension benefits.

Qualified actuaries periodically value the USS and OSPS schemes 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 for the two schemes shown in the following table.

| | USS | OSPS |
|--|--------------------------|--|
| Date of valuation: | 31/03/2014 | 31/03/2016 |
| Date valuation results published: | 24/07/2015 | 28/04/2017 |
| Value of liabilities: | £46.9bn | £661m |
| Value of assets: | £41.6bn | £528m |
| Funding surplus / (deficit): | (£5.3bn) ^a | (£133m) ^b |
| Principal assumptions: | | |
| • Investment return | 5.2% pa ^c | - |
| • Rate of interest (periods up to retirement) | - | 'Gilts' + 1.2% pa |
| • Rate of interest (periods up after retirement) | - | 'Gilts' + 1.2% pa |
| • Rate of increase in salaries | RPI + 1% pa ^d | RPI + 1% pa |
| • Rate of increase in pensions | CPI pa ^d | Average RPI/CPI pa |
| Mortality assumptions: | | |
| • Assumed life expectancy at age 65 (males) | 24.2 yrs | 22.4 yrs |
| • Assumed life expectancy at age 65 (females) | 26.3 yrs | 24.7 yrs |
| Funding Ratios: | | |
| • Technical provisions basis | 89% | 80% |
| • Statutory Pension Protection Fund basis | 82% | 67% |
| • 'Buy-out' basis | 54% | 42% |
| • Estimated FRS 102 Total Funding level | 77% | 82% |
| Recommended employer's contribution rate (as % of pensionable salaries): | 18% ^e | 23% decreasing to 19% from 01/08/2017 ^f |
| Effective date of next valuation: | 31/03/2017 | 31/03/2019 |

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 were 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 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., with the threshold applying from 1 October 2016; member contributions are 8% of salary; a defined contribution benefit for salary above 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 from 1 October 2016 of which the first 1% of salary is matched by the employer. Further details about the changes may be reviewed on USS' website, www.uss.co.uk. For the period up to 1 April 2016 the employer deficit contribution was 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 with the salary threshold and defined contribution section implemented this gives rise to deficit contributions of at least 2.1% p.a. of salaries. At 31 March 2016 USS reported that the funding deficit was £10.0 bn (83% funded). The valuation as at 31 March 2017 is underway.

b. OSPS' actuarial valuation as at 31 March 2016 identified a required long-term employer contribution rate of 17.3% of total pensionable salaries, with a funding deficit of £133 m. The valuation results reflect a number of changes to benefits that were agreed following an Employers' consultation in early 2017, including from 1 April 2017 a change in indexation based on the average of RPI and CPI, from 1 October 2017 a defined contribution section for new entrants and from 1 April 2018 breaking the final salary link for certain members and increased employee contributions. The actuary has certified that the recovery plan should eliminate the deficit by 30 June 2027. The next triennial valuation is due with an effective date of 31 March 2019.

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% p.a. less an inflation risk premium) less RPI/CPI gap of 0.8% p.a.

e. As noted above (note a) the USS employer contribution rate is 18% of salaries from 1 April 2016. Prior to that date it was 16% of salaries. The total employer contributions include provisions for the cost of future accrual of defined benefits (DB) (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 defined contribution benefits including employer matching contributions and certain investment management costs relating to the DC section.

f. As noted above (note b), the OSPS employer contribution rate required for future service benefits in the defined benefit section alone is 17.3% of total pensionable salaries from 1 April 2018. The employer contribution rate was 23% from 1 August 2016 to 31 July 2017. It was agreed that employer contribution rate would be 19% for both defined benefits members and defined contributions members who join on or after 1 October 2017. Part of contribution for defined contribution members would be paid to the defined benefit section to cover the deficit recovery plan, the provision of ill-health and death-in service benefits and the expenses of administering the defined contribution section.

Sensitivity of actuarial valuation assumptions

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

| Assumption | USS | |
|---------------------------------|--|---------------------------|
| | Change in assumption | Impact on USS liabilities |
| Initial discount rate | increase / reduce by 0.25% | |
| Discount rate in 20 years' time | increase / reduce by 0.25% | |
| RPI inflation | increase / reduce by 0.1% | |
| Rate of mortality | more prudent assumption (mortality used at last valuation, rated down by a further year) | |

OSPS

| Assumption | Change in assumption | Impact on OSPS technical provisions |
|----------------------------|--|-------------------------------------|
| | | (from 80% funded at 31/03/2016) |
| Valuation rate of interest | decrease by 1.0% | 68% |
| Rate of pension increases | increase by 1.0% | 69% |
| Life expectancy | more prudent assumption (life expectancy increases by 3 years) | 72% |

Brasenose College
Notes to the financial statements
For the year ended 31 July 2017

Deficit Recovery Plans

In line with FRS 102 paragraph 28.11A, the College has recognised a liability for the contributions payable for the agreed deficit funding plan. The principle assumptions used in these calculations are tabled below:

| | OSPS | USS |
|--|------------|------------|
| Finish Date for Deficit Recovery Plan | 30/06/2027 | 31/03/2031 |
| Average staff number increase | 2.4–4.4% | 2.4–4.4% |
| Average staff salary increase | 2.00% | 2.00% |
| Average discount rate over period | 1.40% | 1.75% |
| Effect of 0.5% change in discount rate | £1.4m | £5.8m |
| Effect of 1% change in staff growth | £2.9m | £12.5m |

For USS a provision of £593k has been made at 31 July 2017 (2016 - £542k) for the present value of the estimated future deficit funding element of the contributions payable under this agreement. In determining the level of this provision it has been assumed that the College will continue to have a constant level of employee participation in this scheme and that the relevant earnings of these employees will increase in line with the actuary's projected long-term salary rate increases.

For OSPS a provision of £560k has been made at 31 July 2017 (2016 - £813k) for the present value of the estimated future deficit funding element of the contributions payable under this agreement. In determining the level of this provision it has been assumed that the College will continue to have a constant level of employee participation in this scheme and that the relevant earnings of these employees will increase in line with the actuary's projected long-term salary rate increases.

Pension charge for the year

The pension charge recorded by the College during the accounting period (excluding pension finance costs) was equal to the contributions payable after allowance for the deficit recovery plan as follows:

| Scheme | 2017 | 2016 |
|---|--------|--------|
| | £000's | £000's |
| Universities Superannuation Scheme | 511 | 384 |
| University of Oxford Staff Pension Scheme | -208 | 447 |
| Other schemes – contributions | 11 | 15 |
| Total | 314 | 846 |

No pension contributions were payable at the balance sheet date (2016: nil)

A copy of the full actuarial valuation report and other further details on the scheme are available on the relevant website: www.uss.co.uk, www.nhsbsa.nhs.uk/Pensions, www1.admin.ox.ac.uk/finance/epp/pensions/schemes/osps, www.saul.org.uk.

23 TAXATION

The College is able to take advantage of the tax exemptions available to charities from taxation in respect of income and capital gains received to the extent that such income and gains are applied to exclusively charitable purposes. No liability to corporation tax arises in the College's subsidiary company because the directors of this company have indicated that they intend to make donations each year to the College equal to the taxable profits of the company under the Gift Aid scheme. Accordingly no provision for taxation has been included in the financial statements.

24 FINANCIAL INSTRUMENTS

The financial statements include the following in respect of items held at amortised cost:

| | 2017 | | | 2016 | | |
|--|-----------------|------------------|------------------------------|-----------------|------------------|------------------------------|
| | Income £'000 | Expense £'000 | Gains / (losses) £'000 | Income £'000 | Expense £'000 | Gains / (losses) £'000 |
| Financial liabilities measured at amortised cost | - | 576 | - | - | 413 | - |
| See Notes 6 and 16 | | | | | | |

Brasenose College
Notes to the financial statements
For the year ended 31 July 2017

| 25 RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH FLOW FROM OPERATIONS | 2017 Group £'000 | 2016 Group £'000 |
|---|------------------------|------------------------|
| Net income | 15,187 | 15,859 |
| Elimination of non-operating cash flows: | | |
| Investment income | (2,484) | (2,671) |
| Gains in investments | (13,995) | (12,140) |
| Endowment donations | (403) | (2,053) |
| Financing costs | 576 | 413 |
| Depreciation | 742 | 673 |
| Decrease in stock | 3 | (11) |
| Decrease/(Increase) in debtors | 43 | (2,250) |
| Decrease/(Increase) in creditors | 568 | 298 |
| Increase in provisions | - | 8 |
| (Decrease)/Increase in pension scheme liability | (504) | 172 |
| Net cash used in operating activities | (266) | (1,703) |

| 26 ANALYSIS OF CASH AND CASH EQUIVALENTS | 2017 £'000 | 2016 £'000 |
|--|---------------|---------------|
| Cash at bank and in hand | 11,661 | 3,006 |
| Notice deposits (less than 3 months) | 7,000 | 3,000 |
| Total cash and cash equivalents | 18,661 | 6,006 |

27 FINANCIAL COMMITMENTS

The College had no annual commitments under non-cancellable operating leases at 31 July 2017 or 31 July 2016.

28 CAPITAL COMMITMENTS

The College had contracted commitments at 31 July for future capital projects totalling £0k (2016 - £1,216k).

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 FRS 102.

Members of the Governing Body, who are the trustees of the College and related parties as defined by FRS 102, 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.

12 trustees had loans outstanding from the College, under the Assisted Housing Scheme, at the start and/or the end of the year, with a total value of £1,359k (2016 £1,466k).

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

| | 2017 £'000 | 2016 £'000 |
|---------------------|---------------|---------------|
| £10,000 - £10,999 | 0 | 0 |
| £99,000 - £99,999 | 1 | 1 |
| £100,000 - £100,999 | 0 | 0 |
| £103,000 - £103,999 | 1 | 1 |
| £104,000 - £104,999 | 2 | 2 |
| £107,000 - £107,999 | 0 | 1 |
| £110,000 - £110,999 | 1 | 1 |
| £116,000 - £116,999 | 1 | 1 |
| £117,000 - £117,999 | 1 | 1 |
| £118,000 - £118,999 | 1 | 1 |
| £121,000 - £121,999 | 4 | 4 |

Interest is charged at 4% below the official rate of interest or 1%, whichever is the lower, currently 1%. All loans are repayable on retirement or on ceasing to be an Official Fellow of the College, and are secured on the property.

30 CONTINGENT LIABILITIES

There are no contingent liabilities as at 31 July 2017 or 31 July 2016.

31 POST BALANCE SHEET EVENTS

There are no post balance sheet events that require disclosure.

The value of the College's investments in securities has risen since 31 July in line with market conditions and currency movements. As the majority of these investments are endowment which will be held for the long term, the College considers that the volatility will not result in a significant impact on the college's financial position.