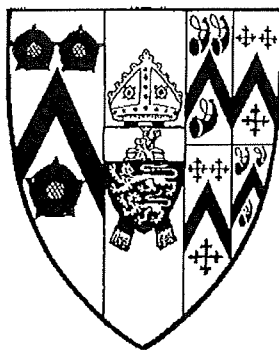


# Brasenose College

Trustee Report and Accounts

For the year ended 31 July 2018



Registered Charity 1143447

**Brasenose College**  
**Annual Report and Financial Statements**  
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**Brasenose College**  
**Governing Body, Officers and Advisers**  
**Year ended 31 July 2018**

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**MEMBERS OF THE GOVERNING BODY**

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

**Principal:**

**Mr John Bowers QC**

Prof Konstantin Ardakov  
Dr Ed Bispham  
Rev Julia Baldwin (from Oct 2017)  
Dr Geoff Bird (from Jan 2017)  
Dr Harvey Burd  
Prof Richard Cooper (retired Sept 2016)  
Prof Ron Daniel (retired Sept 2017)  
Prof Anne Davies  
Dr Elias Dinas (resigned Jan 2018)  
Dr Anne Edwards  
Dr Sos Eltis  
Prof Rui Esteves (resigned Sept 2018)  
Prof Rob Fender  
Prof Eamonn Gaffney  
Prof Elspeth Garman  
Prof Abigail Green  
Prof David Groiser  
Prof Birke Haecker (from Oct 2016)  
Prof Guy Houlsey  
Prof William James  
Prof Jonathan Jones  
Revd Dr Dominic Keech (resigned Dec 2016)  
Prof Ian Kiaer (from Oct 2016)  
Prof Thomas Krebs  
Prof Paul Klenerman (resigned Dec 2016)  
Dr Sneha Krishnan (from Oct 2018)

Prof Owen Lewis  
Dr Perla Maiolino (from Oct 2018)  
Prof Christopher McKenna  
Dr Elizabeth Miller  
Dr Llewelyn Morgan  
Dr Sonali Nag (from Jan 2017)  
Prof Conrad Nieduszynski  
Prof Simon Palfrey  
Mr Philip Parker  
Prof Adam Perry  
Dr David Popplewell (retired Sept 2017)  
Prof Nicholas Purcell  
Dr Ferdinand Rauch  
Prof Jeremy Robertson  
Prof Andrea Ruggeri  
Dr Simon Shogry (from Oct 2017)  
Dr Simon Smith  
Dr Alan Strathern  
Prof William Swadling  
Prof Eric Thun  
Prof Christopher Timpson  
Prof Giles Wiggs  
Prof Mark Wilson  
Prof Giovanni Zifarelli

**Brasenose College**  
**Governing Body, Officers and Advisers**  
**Year ended 31 July 2018**

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The activities of the Governing Body are carried out through a number of committees. The major committees are listed below. Membership is for the **2017/18** 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  
Professor Elspeth Garman (Convenor of Research Committee)  
Dr Elias Dinas (resigned Dec 2017)  
Professor Mark Wilson  
Professor Conrad Nieduszynski  
Professor Geoff Bird

**Development Committee**

Principal  
Director of Development  
Bursar  
Vice-Principal  
Professor Richard Cooper #  
Curator of Common Room (Professor Rui Esteves)  
Professor Adam Perry  
Editor of Brazen Nose (Dr Llewelyn Morgan)  
Professor Chris McKenna  
President of Brasenose Society (# Dr Penny Gilbert Matriculated 1978, Biochemistry)

**Estates and Finance Committee**

Principal  
Vice-Principal  
Bursar  
Senior Tutor  
Professor Giles Wiggs  
Professor Jeremy Robertson  
Professor Goldberg  
Professor Adam Perry  
Dr Chris Timpson  
Dr Sonali Nag

**Investment Advisory Committee**

Principal  
Bursar  
Professor Giles Wiggs  
Professor Jeremy Robertson  
Mr David Watts (# Matriculated 1968)  
Mr Charles Scott (# Matriculated 1976)  
Mr Gerald Smith (# Matriculated 1985)  
Mr Nigel Wightman (# Matriculated 1971)  
Mr Mark Boulton (# Matriculated 1984)

**Human Resources Committee**

Principal  
Bursar  
Senior Tutor  
Domestic Bursar #  
Professor Berke Häcker  
Professor Rob Fender  
Dr Chris Timpson

**Remuneration Committee**

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

## 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 (to Sept 2018) Dr Llewelyn Morgan (from Sept 2018)
Bursar:	Philip Parker
Senior Tutor:	Dr Simon Smith
Tutors for Graduates:	Prof Elspeth Garman, Prof Owen Lewis
Chaplain:	Revd Julia Baldwin (from Sept 2017) Revd Professor Judith Brown (Interim Chaplain, Jan – Sept 2017)
Dean:	Professor Mark Wilson
Director of Development & Alumni Relations:	Dr Elizabeth Miller
Domestic Bursar:	Matthew Hill
College Accountant:	Gillian Chandler
HR Manager:	Julia Dewar

**Brasenose College**  
**Governing Body, Officers and Advisers**  
**Year ended 31 July 2018**

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**COLLEGE ADVISERS**

**Auditor**

Appointed 2018

Crowe U.K. LLP  
Crowe  
Aquis House,  
49-51 Blagrove Street,  
Reading, RG1 1PL

Resigned 2017

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

**Bankers**

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

**Solicitors (Property)**

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

The Members of the Governing Body present their Annual Report for the year ended 31 July 2018 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.

During the year an audit appointment committee was convened with the express purpose of appointing auditors for the College. A number of audit firms were invited to tender and following consideration by the audit committee and the Estates and Finance committee, new auditors for the college were appointed, Crowe who replace long standing auditors Grant Thornton. U.K. LLP

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.

**Brasenose College**  
**Report of the Governing Body**  
**Year ended 31 July 2018**

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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 2017, Brasenose had 224 postgraduate research students, 102 postgraduate taught students, 365 undergraduate students, and 3 recognised visiting students, making a total of 610 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, 4 Supernumerary Fellows, 12 Senior or Junior Kurti/Golding Research Fellows, and 27 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. 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 research grants to research fellows and lecturers and in the 2017-18 academic year introduced a new research fund to extend further support across the College academic community. The College also provides additional 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 2017/18 academic year 62 students (over 20% of the College's UK undergraduates) received a total of £163,712 under this bursary scheme (2016/17 69 students received £185,000). 15% of these students received £4,500, the maximum award, with some receiving an additional first year allowance. In addition, in 2017/18 the College awarded a total of £266,247 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. (2016/17 £108,000).

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 2017/18, approximately 32 students received a total of £269,000 from College funds for these studentships (in 2016/17, 30 students received £164,000).

The College also awarded £17,686 in academic prizes to undergraduates and graduates in the year (2016/17 £20,000). 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. 105 undergraduates completed Final Honours School examinations and graduated in June. There were 44 Firsts, 57 Upper-Seconds, and 4 Lower-Second. For the sixth 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, 26 obtained a distinction, partial distinction, or (where the result was classified) a First, while 75 achieved a pass or an Upper-Second. 4 students obtained a partial pass or a fail, of whom two successfully passed after resitting, one chose to withdraw and one failed.

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

Wulfstan Bain (Economics & Management): proxime accessit for Gibbs Prize for performance in Economics

Danielle Ball (Economics & Management): Gibbs Prize for performance in Management

Asher Brawer (Classics & Oriental Studies): 1st De Paravicini Prize for performance in the Latin papers in Honour Moderations in Classics

Elizabeth Brown (Chemistry): Gibbs Prize for outstanding performance in Organic Chemistry

Maria Czepiel (Classics & Modern Languages): Arteaga Prize for best performance in Spanish, Gibbs Prize for best submitted work for Extended Essay Paper XIV, and joint award of Dolores Oria Merino Prize in Written Spanish for best performance in Spanish Prose

Samuel Day (Experimental Psychology): proxime accessit for the Braddick Prize for best overall performance in PPL Prelims, and proxime accessit for the Susan Mary Rouse Memorial Prize for best overall performance in the 'Introduction to Psychology' paper.

Rachel Dunne (Physics & Philosophy): Gibbs Prize for best performance in the Physics papers in Part B of the Honour School of Physics and Philosophy

Joseph Fisher (Biochemistry): Paper I Prize for top mark in Paper I of Part I

William Freeman (Literae Humaniores): Gibbs Prize for the best overall performance in Honour Moderations in Classics

Nicholas Hooper (Literae Humaniores): Gibbs Prize for Course II

Riming Huang (Biochemistry): Gibbs Prize for best performance in Prelims

Thomas Hurleston (History): Richard Cobb Prize for the best thesis on European history

Brian Ip (Law): Slaughter and May Prize in Constitutional Law

Crystal Lim (Law): Law Faculty Prize for Medical Law and Ethics

Liliane Momeni (Engineering Science): shared Gibbs Prize for Best Design Project for Part B

Jessica Ockenden (Modern Languages): proxime accessit for Gibbs Prize for best performance in Modern Languages FHS

Rufus Rock (Fine Art): Gibbs Prize

Katharine Waldron (Biochemistry): Immunology Prize (sponsored by the British Society for Immunology) for top mark in Immunology Option

Alisha Wright (Law): Penningtons Manches Family Law Prize

On the graduate side, academic results were also encouraging, from 1 October 2017 to 30 September 2018, the College's taught masters students achieved 19 distinctions and 33 passes; one student failed and will resubmit at the next opportunity. 5 students suspended or requested submission extensions rolling forward

into the next academic year. During the same period, 7 graduates completed the PGCE, and 14 Brasenose graduates completed DPhils successfully. 3 graduate students were awarded University prizes.

In 2017-18, the College awarded Honorary Fellowships to members of the College  
New tutorial fellow's were elected in the year so that in October 2018 :  
Professor Sneha Krishnaa and Prof Perla Maiolino

### **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 approximately 11 applications for every place available. The exceptional quality of candidates is reflected in the fact that 108 direct applicants received offers from other Colleges in addition to the 113 Brasenose offer-holders. Open Days contribute significantly to these outcomes: over the course of the three June and September Open Days, the College welcomed in the region of 7,000 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 makes a very high number of school contacts relative to other colleges.

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.

### **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 £2,254,142 (2017 £2,809,533 ).

The College is very grateful to over one thousand alumni who supported the Annual Fund with gifts totalling £522k (2017: £505k), 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 £336k (2017: £403k). Other gifts including legacies totalled £1,396k (2017: £1,900k).

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.

**Brasenose College**  
**Report of the Governing Body**  
**Year ended 31 July 2018**

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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.

Brasenose College Development & Alumni Relations Office is committed to the highest standards in fundraising practice. We aim to be open and honest in all our communications and fundraising. We recognise that there may be occasions when someone in receipt of our fundraising communications wants to register a complaint and have a clear process in place. We take complaints seriously and seek to address them quickly and appropriately. We adhere to the [Fundraising Regulator's Code of Fundraising Practice](#) and are committed to the [Fundraising Promise](#). We have received no complaints this year.

### **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 2018, the College's net debt stood at 0.02% of net assets.

### **FINANCIAL REVIEW**

The College's consolidated total funds increased by £11.5m in the year, standing at £176.3m at 31 July 2018 (£164.7m at 31 July 2017). The endowment funds increased by £10.1m to £148.9m, the restricted funds decreased by £1.1m to £2.4m and the College's unrestricted funds increased by £2.5m to £25.0m.

The College's incoming resources were £12.1m in the year, compared with £11.5m in 2017. Tuition and Research income increased to £2.7m, with residential income increasing slightly to £3.6m (2017 £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 inflow of £336k, before the attribution of investment gains on land and property of £3.5m and gains on the investment portfolio of £7.5m (2016 £5.2m and £13.2m respectively), which brought the closing value of the endowment to £148.9m. 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 £0.5m, ending the year at £24.9m, 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 £6.2m (2017 £3.6m), representing 6.4 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**

##### **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 £160.9m (2017 £150.9m). This included loan proceeds of £12.0m and net current assets of £7.8m.. The overall total investment return was 7% over the 12 months to 31 July 2018. Long term performance is monitored against benchmarks on the basis of calendar quarters. At 30<sup>th</sup> June, the annualised return on the endowment was 11.4% p.a over the last three years and 9.7% over the last five years, comfortably exceeding the College's 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 3.4% (3.5% 2017) (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 agreed to reduce the spend rate to 3.3% in 2018-19 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 7th November 2018 and signed on its behalf by:

John Bowers QC  
Principal



## **Independent Auditor's Report to the Members of Brasenose College**

### **Opinion**

We have audited the financial statements of Brasenose College for the year ended 31 July 2018 which comprise the Consolidated Statement of Financial Activities, Consolidated and Charity balance sheets, Consolidated Cash Flow Statement 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 of the parent charity's affairs as at 31 July 2018 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

### **Basis for opinion**

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 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.

### **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's or the parent charity'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 annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and 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 in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

#### **Responsibilities of trustees**

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 and for being satisfied that they 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 the parent charity'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 charity or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of our report**

**Brasenose College**  
**Report of the Auditor**  
**Year ended 31 July 2018**

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This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Crowe U.K. LLP**  
**Statutory Auditor**  
**Reading**

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

**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 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.

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.

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 two multi-employer defined benefit pension schemes are accounted for as if these were defined contribution schemes 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.

The costs of retirement benefits provided to employees of the College through defined contribution arrangements are recognised as a liability and an expense in the period in which the salaries to which the contributions relate are payable.



Brasenose College  
Consolidated Statement of Financial Activities  
For the year ended 31 July 2018

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2018 Total £'000	2017 Total £'000
<b>INCOME AND ENDOWMENTS FROM:</b>						
Charitable activities:						
Teaching, research and residential	1	6,416	-	-	6,416	5,978
Other Trading Income	3	267	-	-	267	225
Donations and legacies	2	510	1,409	336	2,255	2,808
Investments						
Investment income	4	73	-	3,078	3,151	2,484
Total return allocated to income	13	3,597	533	(4,130)	-	-
Other income		1	-	-	1	-
<b>Total income</b>		<b>10,864</b>	<b>1,942</b>	<b>(716)</b>	<b>12,090</b>	<b>11,495</b>
<b>EXPENDITURE ON:</b>						
Charitable activities:						
Teaching, research and residential		9,909	316	-	10,225	9,506
Generating funds:						
Fundraising		580	-	-	580	656
Trading expenditure		96	-	-	96	71
Investment management costs		486	-	100	586	69
<b>Total Expenditure</b>		<b>11,071</b>	<b>316</b>	<b>100</b>	<b>11,487</b>	<b>10,302</b>
<b>Net Income/(Expenditure) before gains</b>		<b>(207)</b>	<b>1,626</b>	<b>(816)</b>	<b>603</b>	<b>1,192</b>
Net gains/(losses) on investments	10, 11	-	-	10,937	10,937	13,995
<b>Net Income/(Expenditure)</b>		<b>(207)</b>	<b>1,626</b>	<b>10,121</b>	<b>11,540</b>	<b>15,187</b>
Transfers between funds	18	2,759	(2,759)	-	-	-
<b>Net movement in funds for the year</b>		<b>2,552</b>	<b>(1,133)</b>	<b>10,121</b>	<b>11,540</b>	<b>15,187</b>
Fund balances brought forward	18	22,367	3,529	138,847	164,743	149,554
<b>Funds carried forward at 31 July</b>		<b>24,919</b>	<b>2,396</b>	<b>148,968</b>	<b>176,283</b>	<b>164,742</b>

**Brasenose College**  
**Consolidated and College Balance Sheets**  
**As at 31 July 2018**

	Notes	2018 Group £'000	2017 Group £'000	2018 College £'000	2017 College £'000
<b>FIXED ASSETS</b>					
Tangible assets	9	27,527	26,869	27,526	27,303
Property Investments	10	37,895	34,251	37,895	34,251
Other Investments	11	115,662	111,684	115,662	111,684
<b>Total Fixed Assets</b>		<b>181,084</b>	<b>172,804</b>	<b>181,083</b>	<b>173,238</b>
<b>CURRENT ASSETS</b>					
Stocks		254	262	254	257
Debtors	14	2,892	4,872	2,919	4,978
Investments		7,000	7,000	7,000	7,000
Cash at bank and in hand		16,986	11,661	16,671	11,466
<b>Total Current Assets</b>		<b>27,132</b>	<b>23,795</b>	<b>26,844</b>	<b>23,701</b>
<b>LIABILITIES</b>					
Creditors: Amounts falling due within one year	15	2,059	1,925	1,808	2,153
<b>NET CURRENT ASSETS</b>		<b>25,073</b>	<b>21,870</b>	<b>25,036</b>	<b>21,548</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>206,157</b>	<b>194,674</b>	<b>206,119</b>	<b>194,786</b>
<b>CREDITORS: falling due after more than one year</b>	16	<b>29,000</b>	<b>29,000</b>	<b>29,000</b>	<b>29,000</b>
Provisions for liabilities and charges	17	50	50	50	50
<b>NET ASSETS BEFORE PENSION ASSET OR LIABILITY</b>		<b>177,107</b>	<b>165,624</b>	<b>177,069</b>	<b>165,736</b>
Defined benefit pension scheme liability	22	824	882	824	883
<b>TOTAL NET ASSETS</b>		<b>176,283</b>	<b>164,742</b>	<b>176,245</b>	<b>164,853</b>
<b>FUNDS OF THE COLLEGE</b>					
	18				
Endowment funds		148,968	138,846	148,968	138,846
Restricted funds		2,396	3,530	2,396	3,530
Unrestricted funds					
Designated funds		2,675	2,589	2,675	2,589
General funds		23,068	19,605	23,030	19,716
Pension reserve	22	(824)	172	(824)	172
		<b>176,283</b>	<b>164,742</b>	<b>176,245</b>	<b>164,853</b>

The financial statements were approved and authorised for issue by the Governing Body of Brasenose College on 7th November 2018

Trustee:

Trustee:

Brasenose College  
Consolidated Statement of Cash Flows  
For the year ended 31 July 2018

		2018	2017
		£'000	£'000
Net cash used in operating activities	Notes 25	579	(266)
Cash flows from investing activities			
Dividends, interest and rents from investments		3,151	2,484
Finance costs paid		(613)	(576)
Proceeds from the sale of property, plant and equipment		(435)	-
Purchase of property, plant and equipment		(1,008)	(2,074)
Capital receipts in relation to Investment Land & Property		(3)	53
Purchase of investment Land & Property		(169)	(34)
Proceeds from sale of investments		9,149	15,681
Purchase of investments		(5,662)	(23,012)
Net cash provided by/(used in) investing activities		4,410	(7,478)
Cash flows from financing activities			
Cash inflows from new borrowing		-	20,000
Receipt of endowment		336	403
Net cash provided by financing activities		336	20,403
Change in cash and cash equivalents in the reporting period		5,325	12,658
Cash and cash equivalents at the beginning of the reporting period		18,661	6,003
Change in cash and cash equivalents due to exchange rate movements			
Cash and cash equivalents at the end of the reporting period	26	23,986	18,661

Brasenose College  
Notes to the financial statements  
For the year ended 31 July 2018

1 INCOME FROM CHARITABLE ACTIVITIES

	2018	2017
	£'000	£'000
Teaching, Research and Residential		
Unrestricted funds		
Tuition fees - UK and EU students	1,573	1,542
Tuition fees - Overseas students	632	604
Other fees	91	69
Other HEFCE support	186	180
Other academic income	204	89
College residential income	3,630	3,494
Total income from charitable activities	6,416	5,978

The above analysis includes £2786k received from Oxford University from publicly accountable funds under the CFF Scheme (2017: £2484k).

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 £0k (2017: £19k). These are not included in the fee income reported above.

2 DONATIONS AND LEGACIES

	2018	2017
	£'000	£'000
Donations and Legacies		
Unrestricted funds	510	2,031
Restricted funds	1,409	374
Endowed funds	336	403
	2,255	2,808

3 INCOME FROM OTHER TRADING ACTIVITIES

	2018	2017
	£'000	£'000
Subsidiary company trading income	253	224
Other trading income	0	1
	253	225

4 INVESTMENT INCOME

	2018	2017
	£'000	£'000
Unrestricted funds		
Equity dividends	-	10
Bank interest	59	40
Other interest	14	14
	73	64
Endowed funds		
Agricultural rent	177	165
Commercial rent	932	888
Other property income	153	150
Equity dividends	1,826	1,217
Other investment income	190	-
Bank interest	-	-
	3,078	2,420
Total investment income	3,151	2,484

5 ANALYSIS OF EXPENDITURE

	2018	2017
	£'000	£'000
Charitable expenditure		
Direct staff costs allocated to:		
Teaching, research and residential	4,318	4,296
Other direct costs allocated to:		
Teaching, research and residential	3,056	2,922
Support and governance costs allocated to:		
Teaching, research and residential	2,851	2,286
Total charitable expenditure	10,225	9,504

Brasenose College  
Notes to the financial statements  
For the year ended 31 July 2018

	2018 £'000	2017 £'000
Expenditure on generating funds		
Direct staff costs allocated to:		
Fundraising	311	393
Trading expenditure	-	-
Other direct costs allocated to:		
Fundraising	197	186
Trading expenditure	92	67
Investment management costs	557	47
Support and governance costs allocated to:		
Fundraising	72	77
Trading expenditure	4	4
Investment management costs	29	24
	<u>1,262</u>	<u>798</u>
Total expenditure on raising funds		
	<u>11,467</u>	<u>10,302</u>

Total expenditure

The 2017 resources expended of £10,302k represented £10,099k from unrestricted funds, £157k from restricted funds and £46k 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 £166k (2017 - £154k).

6 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

	Generating Funds £'000	Teaching and Research £'000	2018 Total £'000
2018			
Financial administration	43	142	185
Domestic administration	22	544	566
Investment Management	2	-	2
Human resources	6	380	386
IT	29	352	381
Depreciation	-	785	785
Bank interest payable	-	613	613
Other finance charges	-	-	-
Governance costs	4	35	39
	<u>108</u>	<u>2,851</u>	<u>2,957</u>
	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>

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.

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	2018 £'000	2017 £'000
Governance costs comprise:		
Auditor's remuneration - audit services		
Auditor's remuneration - assurance services other than audit	20	25
Auditor's remuneration - tax advisory services	-	-
Auditor's remuneration - other services	-	-
Legal and other fees on constitutional matters	-	-
Other governance costs	1	1
	<u>-</u>	<u>-</u>
	<u>21</u>	<u>26</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

	2018 £'000	2017 £'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		
Bursaries and hardship awards	239	165
Graduate Studentships	105	103
Grants to other institutions	38	52
Total unrestricted	<u>-</u>	<u>-</u>
	<u>382</u>	<u>320</u>
Restricted funds		
Grants to individuals:		
Scholarships, prizes and grants		
Bursaries and hardship awards	16	20
Graduate Studentships	5	5
Grants to other institutions	233	112
Total restricted	<u>-</u>	<u>-</u>
	<u>254</u>	<u>137</u>
Total grants and awards	<u>636</u>	<u>457</u>

The figure included above represents the cost to the College of the Oxford Bursary scheme. Students of this college received £164k (2017: £147k). Some of those students also received fee waivers amounting to £0k (2017: £19k).

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

The aggregate staff costs for the year were as follows.

	2018 £'000	2017 £'000
Salaries and wages		
Social security costs	4,411	4,435
Pension costs:	363	334
Defined benefit schemes		
Defined contribution schemes	682	657
Other benefits	23	11
Pension deficit liability movement	10	18
	<u>-</u>	<u>(474)</u>
	<u>5,479</u>	<u>4,981</u>

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

	2018	2017
Tuition and research (ex Trustees)		
College residential	23	28
Fundraising	91	81
Support	6	5
Total	<u>22</u>	<u>21</u>
	<u>142</u>	<u>135</u>

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

	2018	2017
University Lecturers		
CUF Lecturers	19	19
Other teaching and research	9	9
Other	2	2
Total	<u>4</u>	<u>4</u>
	<u>34</u>	<u>34</u>

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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 met through unrestricted funds. One payment was made in the year £8k (£0 2017)

The following information relates to the employees of the College excluding the College Trustees. Details of the remuneration and reimbursed expenses of the College Trustees is included as a separate note in these financial statements.

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

£60,001-£70,000	2	2
£70,001-£80,000	-	0
£80,001-£90,000	-	-
£90,001-£100,000	-	-
£100,001-£110,000	-	-
£110,001-£120,00	2	2

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

In defined benefits schemes	2	2
In defined contribution schemes	-	-
	£'000	£'000
	23	6

The College contributions to defined contribution pension schemes totalled

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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	35,122	1,415	1,143	37,680
Additions	869	139	-	1,008
At end of year	35,991	1,554	1,143	38,688
Depreciation and impairment				
At start of year	9,018	389	969	10,376
Depreciation charge for the year	629	81	75	785
At end of year	9,647	470	1,044	11,161
Net book value				
At end of year	26,344	1,084	99	27,527
At start of year	25,669	1,025	174	26,868
College	Freehold land and buildings £'000	Plant and machinery £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost				
At start of year	35,129	1,416	1,145	37,690
Additions	869	139	-	1,008
At end of year	35,998	1,555	1,145	38,698
Depreciation and impairment				
At start of year	9,026	391	970	10,387
Charge for the year	629	81	75	785
At end of year	9,655	472	1,045	11,172
Net book value				
At end of year	26,343	1,083	100	27,526
At start of year	25,103	1,025	175	27,303

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	2018 Total £'000	2017 Total £'000
Valuation at start of year	14,552	15,304	4,398	34,254	33,525
Additions and improvements at cost / capital expenditure	42	117	10	169	34
Disposals net proceeds / capital receipts	-	-	-	-	(53)
Revaluation gains in the year	3,489	(355)	338	3,472	745
Valuation at end of year	18,093	15,066	4,746	37,895	34,251

A formal valuation of the Colleges property was undertaken in 2018 by Bidwells. Bidwells assessed the fair value of the colleges portfolio as at 31 July 2018 in accordance with UKVS 1.1 of the RICS valuation - Professional Standards (April 2015).



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11 OTHER INVESTMENTS

All investments are held at fair value.

OTHER INVESTMENTS				2018		2017			
All investments are held at fair value.				£'000		£'000			
Group investments				111,604		91,105			
Valuation at start of year				5,662		23,012			
New money invested				(9,149)		(15,681)			
Amounts withdrawn				7,465		13,248			
Increase in value of investments				115,682		111,684			
Group investments at end of year				-		-			
Investment in subsidiaries				115,662		111,684			
College Investments at end of year									
Group Investments comprise:				Held outside	Held In	2018	Held outside	Held In	2017
				the UK	the UK	Total	the UK	the UK	Total
				£'000	£'000	£'000	£'000	£'000	£'000
Equity investments				26,432	51,699	78,131	28,614	58,981	85,595
Global multi-asset funds				13,716	10,508	24,222	9,351	8,016	15,377
Property funds				-	8,496	8,496	-	5,548	5,548
Alternative and other Investments				83	4,730	4,813	-	5,164	5,164
Total group investments				40,231	75,431	115,662	37,975	73,709	111,684

Group investments include £87,611k of unlisted investments. Unlisted investments can be illiquid and may be valued as at 30th June 2018. The June valuation is considered by the Trustees to provide an adequate estimate of value as at 31 July 2018.

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	11,836	253
Expenditure	(11,391)	(97)
Donation to College under gift aid	-	-
Result for the year	445	156
Total assets	207,927	382
Total liabilities	(31,682)	(216)
Net funds at the end of year	176,245	166

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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 3.4% (2017: 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 3.4% 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
<b>At the beginning of the year:</b>					
Gift component of the permanent endowment	51,134	-	51,134	-	51,134
Unapplied total return	-	68,214	68,214	-	68,214
Expendable endowment	-	-	-	19,497	19,497
<b>Total Endowments</b>	<b>51,134</b>	<b>68,214</b>	<b>119,348</b>	<b>19,497</b>	<b>138,846</b>
<b>Movements in the reporting period:</b>					
Gift of endowment funds	336	-	336	-	336
Investment return: total investment income	-	2,369	2,369	710	3,079
Investment return: realised and unrealised gains and losses	-	8,736	8,736	2,201	10,937
Less: Investment management costs	-	(80)	(80)	(20)	(100)
<b>Total</b>	<b>336</b>	<b>11,025</b>	<b>11,361</b>	<b>2,891</b>	<b>14,252</b>
Unapplied total return allocated to income in the reporting period	-	(3,653)	(3,653)	(477)	(4,130)
<b>Net movements in reporting period</b>	<b>336</b>	<b>7,372</b>	<b>7,708</b>	<b>2,414</b>	<b>10,122</b>
<b>At end of the reporting period:</b>					
Gift component of the permanent endowment	51,471	-	51,471	-	51,471
Unapplied total return	-	75,586	75,586	-	75,586
Expendable endowment	-	-	-	21,911	21,911
<b>Total Endowments</b>	<b>51,471</b>	<b>75,586</b>	<b>127,057</b>	<b>21,911</b>	<b>148,968</b>

14 DEBTORS

	2018 Group £'000	2017 Group £'000	2018 College £'000	2017 College £'000
<b>Amounts falling due within one year:</b>				
Trade debtors	423	368	362	355
Amounts owed by College members	16	44	15	44
Amounts owed by Group undertakings	(1)	-	93	113
Loans repayable within one year	15	11	15	12
Prepayments and accrued income	970	3,077	964	3,079
Other debtors	(14)	15	(14)	16
<b>Amounts falling due after more than one year:</b>				
Amounts owed by College members	1,484	1,357	1,404	1,359
	<b>2,892</b>	<b>4,872</b>	<b>2,919</b>	<b>4,978</b>

15 CREDITORS: falling due within one year

	2018 Group £'000	2017 Group £'000	2018 College £'000	2017 College £'000
Trade creditors	353	460	306	416
Amounts owed to College Members	31	42	31	44
Amounts owed to Group undertakings	-	(5)	-	-
Taxation and social security	(2)	88	(11)	82
College contribution	24	72	24	72
Accruals and deferred income	1,321	1,155	1,251	1,137
Other creditors	332	113	207	402
	<b>2,059</b>	<b>1,925</b>	<b>1,808</b>	<b>2,153</b>

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16 CREDITORS: falling due after more than one year

	2018 Group £'000	2017 Group £'000	2018 College £'000	2017 College £'000
Bank loans	29,000	29,000	29,000	29,000
	<u>29,000</u>	<u>29,000</u>	<u>29,000</u>	<u>29,000</u>

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 2.82%, 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

	2018 Group £'000	2017 Group £'000	2018 College £'000	2017 College £'000
At start of year	50	50	50	50
Charged in the Statement of Financial Activities	-	-	-	-
At end of year	<u>50</u>	<u>50</u>	<u>50</u>	<u>50</u>

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

18 ANALYSIS OF MOVEMENTS ON FUNDS

	At 31 July 2017 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains £'000	At 31 July 2018 £'000
Endowment Funds - Permanent						
Permanent Endowment Fund	98,684	2,189	(71)	(3,425)	7,776	105,153
Hulme Capital Fund	6,369	141	(5)	(114)	501	6,892
Tutorial/Classics Fellowship Capital Fund	1,695	66	(1)	(29)	133	1,864
Germaine Capital Fund	1,047	23	(1)	(19)	82	1,132
Lucas Bequest Capital Fund	540	12	-	(10)	42	584
Kwai Cheong Graduate Studentship Fund	385	9	0	(8)	30	416
Undergraduate Bursary Capital Fund	1,871	258	(1)	(43)	146	2,231
Jeffery Bequest (Mod Hist) Capital Fund	163	4	0	(3)	13	177
Profumo Capital Fund	115	3	0	(2)	0	126
23 Other Funds for General Purposes	8,479	-	-1	(0)	6	8,483
Total Permanent Endowment	<u>119,346</u>	<u>2,705</u>	<u>(80)</u>	<u>(3,653)</u>	<u>8,739</u>	<u>127,057</u>

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18 continued	At 31 July 2017 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2018 £'000
<b>Endowment Funds - Expendable</b>						
Expendable Endowment (inc legacies) Fund	172	4	0	(4)	14	185
Hector Pilling Capital Fund	1,426	32	(1)	(26)	112	1,643
Fiddian Capital Fund	1,303	29	(1)	(23)	103	1,410
Roger Thomas Bequest Cap Fund	1,186	26	(1)	(21)	93	1,284
Bedford Capital Fund	1,044	23	(1)	(15)	82	1,134
Curran Capital Fund	695	16	(1)	(12)	55	752
Economics Fellowship Capital Fund	1,787	40	(1)	(34)	140	1,932
Cashmore Capital Fund	414	12	0	4	33	463
Garrick Law Fellowship Capital Fund	1,699	38	(1)	(30)	134	1,839
Politics Fellowship Capital Fund	1,372	101	(1)	(19)	108	1,562
Ellesmere Law Endowment Capital Fund	500	29	0	(8)	40	568
Kyprianou Grad Stud Capital Fund	729	16	(1)	(11)	58	792
Jeffrey Cheah Fund-Capital Fund	1,631	36	(1)	(29)	128	1,766
Various Funds for General Purposes	5,535	309	(10)	(249)	1,095	6,680
<b>Total Expendable Endowment Funds</b>	<b>19,499</b>	<b>710</b>	<b>(20)</b>	<b>(477)</b>	<b>2,196</b>	<b>21,910</b>
<b>Total Endowment Funds - College &amp; Group</b>	<b>138,847</b>	<b>3,415</b>	<b>(100)</b>	<b>(4,130)</b>	<b>10,936</b>	<b>148,988</b>
<b>Restricted Funds</b>						
Deferred Capital Fund	266	-	-	-	-	266
Fiddian Income Fund	256	-	-	39	-	295
Germaine Income Fund	16	-	(58)	31	-	(10)
Hector Pilling Income Fund	19	-	(39)	42	-	22
Peter Moores Chinese Bus Stud Fund	16	33	-	-	-	49
Major Gifts Restricted Campaign Fund	77	435	(4)	-	-	508
Barry Nicholas Income Fund	16	-	(20)	4	-	-
Student Support Annual Fund	99	112	(72)	-	-	140
Old Cloisters Library Project	2,072	727	-	(2,755)	-	44
Kwai Cheong Grad Studentship Income Fund	19	-	(20)	11	-	10
Undergraduate Bursary Income Fund	50	-	-	55	-	105
Kyprianou Grad Stud Income Fund	-	-	(21)	22	-	1
5 funds for Student Support	37	-	(19)	17	-	36
2 funds to support Archive and Library	44	4	(5)	5	-	48
7 funds to support Tutorial Fellowships	266	-	(14)	246	-	498
Other minor funds	276	98	(44)	55	-	385
<b>Total Restricted Funds - College &amp; Group</b>	<b>3,530</b>	<b>1,409</b>	<b>(316)</b>	<b>(2,226)</b>	<b>-</b>	<b>2,396</b>
<b>Unrestricted Funds</b>						
Loan Repayment Fund	305	-	-	112	-	417
Roger Thomas Bequest Income Fund	189	-	-	35	-	224
Reynolds Prize Inc Fund	5	-	(5)	0	-	0
Thomas & Jones Inc Fund	8	-	-	1	-	9
Global History of Capitalism	35	51	(113)	150	-	123
Benefactions Income Fund	2	-	-	2	-	4
Hulme Income Fund	0	82	(275)	189	-	(4)
Bedford Income Fund	185	-	-	31	-	216
Michael Woods Income Fund	(0)	-	-	-	-	(0)
Unrestricted/Greatest Need Annual Fund	123	282	(240)	(25)	-	140
Unrestricted Campaign Fund	130	-	(155)	25	-	0
JCR Dilapidation Fund	8	1	-	-	-	9
HCR Dilapidation Fund	11	2	-	-	-	13
BNC Australia Scholarship Income Fund	0	-	(4)	3	-	(1)
DeLafield Fund	86	66	(10)	-	-	142
Lecture Room XI	1,500	-	-	(150)	-	1,350
The Boat club	2	-	-	31	-	33
<b>Total designated funds - College &amp; Group</b>	<b>2,589</b>	<b>484</b>	<b>(802)</b>	<b>404</b>	<b>-</b>	<b>2,675</b>
Pension reserve College & Group	172	-	-	(996)	-	(824)
Unrestricted funds held by subsidiaries	-	253	(97)	-	-	156
<b>General funds - Group</b>	<b>19,605</b>	<b>6,784</b>	<b>(10,269)</b>	<b>6,947</b>	<b>1</b>	<b>23,068</b>
<b>Total Unrestricted Funds - College</b>	<b>22,328</b>	<b>7,268</b>	<b>(11,071)</b>	<b>6,355</b>	<b>1</b>	<b>24,881</b>
<b>Total Funds - Group</b>	<b>164,743</b>	<b>12,092</b>	<b>(11,487)</b>	<b>(1)</b>	<b>10,937</b>	<b>176,283</b>

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

Hulme Capital Fund

A consolidation of gifts and donations

Grimbaldson Capital Fund  
Somerset Thornhill Capital Fund  
Tutorial/Classics Fellowship Fund  
Germaine Capital Fund  
Humphries Capital Fund  
Heath Harrison Capital Fund  
Lucas Bequest Capital Fund  
Somerset Iwer Capital Fund  
John Watson Capital Fund  
Kwai Cheong Graduate Studentship Fd  
Collins Capital Fund  
Undergraduate Bursary Fund  
Jeffery Bequest Capital Fund  
Profumo Capital Fund

1686 capital balance of past donations for general purposes  
A 2009/10 fund in support of Tutorial Fellowships.  
1972 Will Trust Fund to support scholarships for Home/EU graduates  
1952 Will Trust Fund to support scholarships  
Capital balance of a past donation to support the general purposes of the College  
To support a Junior Research Fellow/research activities  
1686 for general purposes  
1699 for general purposes  
2009/10 to fund a Dphil studentship for a student preferably from China  
1939 for general purposes  
A 2010/11 to support undergraduate bursaries  
1975 to support the publication of learned works, and/or an exhibition in History  
1940 to support extra-curricular activities of undergraduates of educational benefit

Endowment Funds - Expendable:

Hector Pilling Capital Fund  
Stallybrass Bequest Capital Fund  
Trust Fund Surplus Income Capital Fd  
Fiddian Capital Fund  
Roger Thomas Bequest Capital Fund  
Bedford Capital Fund  
Curran Capital Fund  
Stallybrass Memorial Capital Fund  
Peters Capital Fund  
Economics Fellowship Fund  
Cashmore Capital Fund  
Gerrick Law Fellowship Capital Fund  
Politics Fellowship Capital Fund  
Ellesmere Law Endowment Capital Fund  
Kyprianou Graduate Studentship Fund  
Jeffrey Cheah Capital Fund  
Global History of Capitalism  
Restricted Funds:  
Deferred Capital Fund  
Peter Moores Fund

1988 to support graduate scholarships/studentships preferably RAF/Commonwealth  
1948 to support the teaching of law  
Capitalised balance of past surplus income for general purposes  
For the support of undergraduate/graduate students from Monmouth/Haberdashers Schools  
For the furtherance of education  
1996 bequest for general purposes  
1985 supports the Curran Tutor in Physiology  
Consolidation of donations raised by the Brasenose Society in 1949, for general purposes  
For general purposes  
For the endowment of a Fellowship in economics  
Valedictory fund in name of former Principal for bursaries  
For the endowment of a Fellowship in law  
For the endowment of a Fellowship in politics  
For the support of teaching and research in law  
Donated funds to support a graduate studentship for a Cypriot resident  
Endowment to support the Jeffrey Cheah Fellowships and graduate studentship programmes  
Donated funds to support research project

Major Gifts Restricted Campaign Fund  
Barry Nicholas Income Fund

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

Student Support Annual Fund  
Old Cloisters Library Project  
Various Income Funds

Designated Funds  
Loan repayment fund  
BNC Australia  
Delefield Fund  
Various

Unrestricted funds which were set aside in order to repay the loan in 2048.  
Funds raised and set aside to match-fund the Oxford Australia Scholarship programme  
Funds received from the Delefield Trust, which was created by way of a legacy.  
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.

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20 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2018 Total £'000
2018				
Tangible fixed assets	23,881	3,646	-	27,527
Property investments	-	-	37,895	37,895
Other investments	414	-	115,248	115,662
Net current assets	18,498	(1,250)	7,825	25,073
Long term liabilities	(17,874)	-	(12,000)	(29,874)
	<u>24,919</u>	<u>2,396</u>	<u>148,968</u>	<u>176,283</u>
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>138,646</u>	<u>164,742</u>

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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. Any salary paid by the University is not included in the table below. 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 some 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 £1,578k (2017 £1,484k).

Remuneration paid to trustees				2018		2017
Trustee Name	Salary	Pension	Benefits	Total	Salary	Total
Mr John Bowers	103,920	18,706	10,333	132,958	Mr John Bowers	129,341
Mr Phillip Parker	94,002	16,920	-	110,922	Mr Phillip Parker	102,702
Dr Simon Smith	76,235	13,722	1,068	91,025	Dr Simon Smith	85,544
Dr Liz Miller	62,521	11,254	-	73,775	Dr Liz Miller	71,156
Dr Simon Palfrey	51,896	8,968	3,340	64,202	Dr David Groiser	60,022
Dr Llewelyn Morgan	51,896	8,968	1,780	62,642	Dr Simon Palfrey	59,884
Dr David Groiser	47,731	8,592	4,515	60,838	Mr William Swadling	58,380
Dr Christopher Timpson	47,730	8,591	3,604	59,925	Dr Christopher Timpson	58,176
Mr William Swadling	47,731	8,592	3,279	59,602	Dr Llewelyn Morgan	57,804
Dr Ed Blispham	47,731	8,592	1,780	58,103	Dr Ed Blispham	56,361
Dr Abigail Green	47,730	8,591	1,780	58,101	Dr Abigail Green	55,744
Dr Alan Strathern	46,640	8,205	-	54,845	Dr Alan Strathern	54,562
Dr Mark Wilson	44,227	5,711	3,525	53,463	Prof Adam Perry	49,390
Prof Adam Perry	44,555	8,020	-	52,575	Dr Sos Ellis	43,243
Dr Sos Ellis	38,357	6,904	-	45,261	Dr David Popplewell	27,875
Rev Julia Baldwin	34,330	4,379	852	39,561	Prof Conrad Nieduzynski	26,802
Dr Owen Lewis	30,918	4,065	1,656	36,639	Dr Thomas Krebs	28,586
Prof Conrad Nieduzynski	20,273	3,649	3,596	27,518	Dr Mark Wilson	26,573
Dr Thomas Krebs	20,273	3,649	3,543	27,465	Dr Christopher McKenna	26,386
Dr Harvey Burd	20,273	3,649	3,340	27,262	Dr Harvey Burd	26,326
Dr Eamonn Gaffney	20,273	3,649	3,325	27,247	Dr Eamonn Gaffney	26,306
Dr Christopher McKenna	20,273	3,649	2,301	26,223	Prof Andrea Ruggeri	25,054
Prof Andrea Ruggeri	20,273	3,649	1,816	25,738	Dr Owen Lewis	24,706
Prof Konstantin Ardakov	20,273	3,649	1,780	25,702	Prof Konstantin Ardakov	24,537
Prof Jonathan Jones	20,273	3,649	1,780	25,702	Prof Jonathan Jones	24,246
Dr Giles Wiggs	20,273	3,649	1,780	25,702	Dr Giles Wiggs	24,061
Prof William James	20,273	3,649	1,424	25,346	Dr Jeremy Robertson	23,896
Dr Jeremy Robertson	20,273	3,649	1,424	25,346	Prof Ronald Daniel	23,896
Prof Ronald Daniel	20,273	3,649	1,424	25,346	Dr Rui Esteves	23,454
Dr Robert Fender	20,273	3,649	1,171	25,093	Rev Judith Brown	23,161
Dr Eric Thun	20,273	3,649	-	23,922	Dr Eric Thun	22,498
Dr Ian Klaer	18,423	3,498	-	22,919	Dr Elias Dinas	21,523
Prof Geoff Bird	10,036	1,806	2,519	14,361	Dr Ian Klaer	15,155
Prof Gianni Zifarelli	8,919	1,605	3,094	13,618	Dr Robert Fender	14,510
Dr Rui Esteves	10,036	1,806	982	12,824	Rev Dr Dominic Keach	12,828
Dr Ferdinand Rauch	9,914	1,785	150	11,849	Dr Ferdinand Rauch	11,124
Dr Elias Dinas	7,865	1,416	-	9,281	Prof Elspeth Garman	10,300
Mr S Shogry	8,851	1,233	-	8,084	Prof Gianni Zifarelli	9,935
Dr David Popplewell	2,988	538	-	3,526	Prof Richard Cooper	9,818
Rev Judith Brown	2,135	384	-	2,519	Prof Geoff Bird	5,756
Prof Elspeth Garman	1,291	232	-	1,523	Dr Sonali Nag	2,232
Dr Anne Edwards					Prof William James	1,398
Dr Anne Davies					Prof Guy Houlby	1,398
Dr Sonali Nag					Dr Anne Edwards	
Prof Paul Klenerman					Prof Anne Davies	
Prof Nicholas Purcell					Prof Birko Haecker	
Prof Guy Houlby					Prof Paul Klenerman	
Prof Richard Cooper					Prof Nicholas Purcell	
Prof Birko Haecker					Mr S Shogry	

1,281,430 224,163 72,961 1,578,553

Total

1,484,455

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

## 22 PENSION SCHEMES

The College participates in the Universities Superannuation Scheme ("the USS") and the University of Oxford Staff Pension Scheme ("the OSPS") on behalf of its fellows and staff. Both schemes include contributory multi-employer defined benefit arrangements with assets being held in separate trustee-administered funds.

Insufficient information is available to enable the College to use defined benefit accounting for these schemes and, in accordance with the provisions of FRS 102, both schemes are accounted for as if they were defined contribution schemes.

Both schemes have put in place agreements for additional contributions to fund their past service deficits. In accordance with the provisions of FRS 102 the College has recognised a liability for the future contributions that it estimates will be payable as a result of these deficit funding agreements.

### Universities Superannuation Scheme

The pension charge for the year includes £351,915 (2017: £593,103) in relation to the USS. This represents contributions of £384,444 payable to the USS as adjusted by the change in the deficit funding liability between the opening and closing balance sheet dates of £48,647.

The USS employer contribution rate has been 10% of salaries from 1 April 2016. 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.

The latest formal actuarial valuation of the USS is being carried out as at 31 March 2017 to meet the requirements of the Pensions Act 2004. The final publication of this valuation has been delayed beyond the statutory deadline of 30 June 2018 so that the completion of the valuation can run in parallel to the Joint Expert Panel ("JEP") which is reviewing the valuation to provide assurances that the trustee is, ultimately, in a position to address its statutory obligations. Currently, based on a future average annual returns forecast of CPI + 0.71%, the draft valuation shows that the scheme assets are sufficient to cover 89% of the liabilities with a funding deficit of £7.5bn as at 31 March 2017. The valuation also shows that maintaining the current level of benefits would, in turn, require a combined contribution rate of 37.4% of pay, including increasing deficit recovery contributions from 2.1% of pay as currently to 6% of pay.

The USS has subsequently reported that the estimated funding deficit increased to £8.4 bn (88% funded) as at 31 March 2018.

The JEP is tasked with agreeing key principles to underpin the future approach of the University and College Union (UCU) and Universities UK (UUK) to the USS valuation. The JEP published their first report on 13 September 2018 and has recommended four areas where adjustments to the valuation should be considered. It is the JEP belief, based on independent actuarial analysis, that the full implementation of these adjustments could mean total required contributions estimated at 29.2% to fund current benefits (minus the 1% match). This compares to the current rate of 26% (18% of salary paid by employers as above, 8% by employees) and the rate of 36.6% from April 2020 which has been proposed by USS based on the valuation as it stands.

In the judgement of the College, as the 2017 valuation has not formally completed and there remains various stages of consultation around the key factors specifically relating to the funding of the past deficit, including the level of contributions required, the period of the recovery plan and the level of asset performance over the period, it remains appropriate to continue to account for the past deficit obligation in accordance with the plan agreed after the 2014 actuarial valuation. Accordingly a provision of £580,574 has been included in the financial statements as at 31 July 2018 (2017: £593,103) for the present value of the estimated future deficit funding element of the employer contributions payable based on the current agreement for the payment of contributions. 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.

However, there is a significant risk that the year-end provision for the costs of the deficit funding as calculated will not reflect the position following the final outcome of negotiations, potentially by a very significant amount depending upon what is finally agreed as regards future deficit contributions and their duration. The college expects to have greater clarity in this respect during the next financial year.

Details on the 2017 actuarial valuation of the scheme and the implications to the employers and employees are available on the USS website [www.uss.co.uk](http://www.uss.co.uk).

### Oxford Staff Pension Scheme

The pension charge for the year includes £238,937 (2017: £258,922) in relation to the OSPS. This represents contributions of £287,584 payable to the OSPS as adjusted by the change in the deficit funding liability between the opening and closing balance sheet dates of £48,647.

The latest formal actuarial valuation of OSPS was carried out as at 31 March 2016 to meet the requirements of the Pensions Act 2004 and was published in April 2017. This valuation showed the scheme assets as £527.8m, being sufficient to cover 80% of its liabilities of £660.7m on a technical provisions basis with an overall shortfall of £132.9m.

Based on this valuation, the University completed a consultation with active members of the scheme regarding the benefits payable from the scheme in future. Following this a number of changes were made including from 1 April 2017 changing the basis used for indexation under the scheme, from 1 October 2017 closing the defined benefits scheme to new entrants and from 1 April 2018 changing the benefits structure from benefits being linked to salary at retirement to being calculated on a career average basis and increasing the rates of member contribution (for the standard cost plan from 6.6% to 8%). Reflecting the above changes from 1 April 2018 the net cost to the employers of future benefits reduced from 22.1% to 17.3% of pensionable salaries.



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The trustee and University have agreed a recovery plan under which the employers are paying 19% from August 2017 for both defined benefits members and defined contributions members who join on or after 1 October 2017. Part of the contributions for defined contribution members is 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. In addition, the employers will continue to reimburse the scheme in respect of Pension Protection Fund (PPF) and other levies collected by the Pensions Regulator. These contributions, together with an allowance for the Scheme's assets to return 2.5% per annum above gilt yields, are expected to eliminate the technical provision deficit by 30 June 2027.

A provision of £232,424 has been included in the financial statements as at 31 July 2018 (2017 - £258,922) for the present value of the estimated future deficit funding element of the contributions payable under this recovery plan 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

A copy of the full actuarial valuation report and other further details on the scheme are available on the University of Oxford website  
<https://www.admin.ox.ac.uk/finance/epp/pensions/schemes/osps/publications/>

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

	2018 Group £'000	2017 Group £'000
Financial assets at fair value through Statement of Financial Activities :		
Fixed asset investments	115,662	111,684
Financial Instruments that are debt Instruments measured at settlement value :		
Trade Debtors	423	368
Amounts owed by College members	1,484	1,357
Amounts owed by Group undertakings	14	44
Other Debtors and accrued Income	971	3,103
Financial Liabilities measured at settlement value :		
Trade Creditors	(353)	(460)
Amounts owed to Group	(31)	(42)
Amounts owed to College members		5
College contribution	(24)	(72)
Other Creditors	(330)	(201)
Accruals	(1,321)	(1,155)
Financial liabilities measured at amortised cost :		
Bond notes	(29,000)	(29,000)
	<u>87,485</u>	<u>85,631</u>

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25 RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH FLOW FROM OPERATIONS	2018 Group £'000	2017 Group £'000
Net Income	11,540	15,187
Elimination of non-operating cash flows:		
Investment Income	(3,151)	(2,484)
Gains in Investments	(10,937)	(13,995)
Endowment donations	(336)	(403)
Financing costs	613	576
Depreciation	785	742
Decrease in stock	8	3
Decrease/(increase) in debtors	1,980	43
Decrease/(increase) in creditors	135	568
Increase in provisions	-	-
(Decrease)/increase in pension scheme liability	(50)	(504)
Net cash provided by/(used in) operating activities	<u>579</u>	<u>(266)</u>
26 ANALYSIS OF CASH AND CASH EQUIVALENTS	2018 £'000	2017 £'000
Cash at bank and in hand	16,986	11,661
Notice deposits (less than 3 months)	7,000	7,000
Total cash and cash equivalents	<u>23,986</u>	<u>18,661</u>
27 FINANCIAL COMMITMENTS		
The College had no annual commitments under non-cancellable operating leases at 31 July 2018 or 31 July 2017		
28 CAPITAL COMMITMENTS		
The College had contracted commitments at 31 July for future capital projects totalling £0k (2017 - £0k).		
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 £1,363k (2017 £1,484k).		
The number of loans outstanding at 31 July with the balances in the following bands were as follows:	2018 £'000	2017 £'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	0
£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	<u>4</u>	<u>6</u>
Interest is charged at 4% below the official rate of interest or 1%, whichever is the higher currently 1%. All loans are repayable on retirement or on ceasing to be a Fellow of the College, and are secured on the property.		
30 CONTINGENT LIABILITIES		
There are no contingent liabilities as at 31 July 2018 or 31 July 2017.		
31 POST BALANCE SHEET EVENTS		
Post Balance sheet event - The College purchased an investment property for £6.5M shortly after the balance sheet date (insert date of completion)		
32 Commitments Under Operating Leases Group and Company - Lessor	2018 £	2017 £
The group earns rental income by leasing its properties to tenants under non-At the balance sheet date, the group had contracted with tenants to receive the		
Not later than 1 year	1,069	932
Later than 1 year and not later than 5 years	3,622	4,105
Later than 5 years	<u>5,382</u>	<u>5,816</u>
	<u>10,073</u>	<u>10,853</u>