



**Balliol College**  
Annual Report and Financial Statements  
for the year ended 31 July 2018

Registered Charity No. 1144032

**Balliol College**  
**Annual Report and Financial Statements**  
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## **Balliol College**

### **Governing Body, Officers and Advisers**

**Year ended 31 July 2018**

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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 consolidated financial statements for the year.

#### **REFERENCE AND ADMINISTRATIVE INFORMATION**

The Master and Scholars of Balliol College in the University of Oxford, which is known as Balliol College (“the College”), are a charitable body having that name. The College was founded in the 13<sup>th</sup> century and is registered with the Charity Commission for England and Wales (registered number 1144032).

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 3 to 5.

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

##### **Governing documents**

The College is governed by its Statutes originally granted in 1282, and subsequently approved by the foundation deed of 1284. In their most recent version they stand as approved by Her Majesty in Council, 9 April 2008, in accordance with the 1923 Oxford and Cambridge Act. The process of registering as a charity revealed that the Statutes required a number of amendments and the revised statutes are now with the Privy Council for review.

##### **Governing Body**

The Governing Body is constituted and regulated in accordance with the College Statutes, which are as made from time to time by order of Her Majesty in Council in accordance with the Universities of Oxford and Cambridge Act 1923. The Governing Body holds to itself the responsibilities for the ongoing strategic direction of the College, for its administration and for the management of its finances and assets. It meets regularly under the chairmanship of the Master and is advised by a range of committees. The College enjoys the unique privilege of electing its own Visitor, a post currently occupied by the Right Honourable Lord Reed, PC.

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

New Members of the Governing Body (Trustees) are recruited as Fellows, and are inducted into the workings of the College according to the nature of their Fellowship and by attending Governing Body meetings. The duties and responsibilities of Trustees are explained fully to incumbent Fellows and form part of the induction process.

##### **Remuneration of Members of the Governing Body and Senior College Staff**

Members of the Governing Body are primarily teaching and research employees of the College or University and receive no remuneration or benefits from their trusteeship of the College. There are also five trustees who work on management and fundraising, the Master, Senior Tutor/Academic Registrar, Development Director and Domestic Bursar who all work full-time, and the Finance Bursar who is part-time.

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. The Remuneration Committee consists of four external members and four internal members and is chaired by the Visitor. Remuneration is normally set in line with that awarded to the University’s academic staff.

##### **Organisational management**

The Governing Body understands the importance of being kept informed on current issues in the sector, and charity regulation and legislation form a regular part of Governing Body business. A College office of Fellow for Charity Matters is in place to facilitate this. A code on the Handling of Conflict of Interests is available to all Fellows.

## **Balliol College**

### **Governing Body, Officers and Advisers**

**Year ended 31 July 2018**

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The members of the Governing Body meet nine times a year. The work of developing their policies and monitoring the implementation of these is carried out by five Committees:

- Tutorial Board meets once a term and includes all the College's Tutorial Fellows, those with personal tutor roles in relation to undergraduates and members of the Academic Progress Committee. Tutorial Board has the power to decide many matters of academic policy but for several years much of this work has been delegated to the Academic Committee and it has now further delegated decisions about the academic progress of individual students to an Academic Progress Committee.
- Academic Committee concentrates on academic policy and meets weekly during term. It has an approximately equal number of College Officers and non-officers as its membership. Full Academic Committee, which meets approximately once a term, includes student representation.
- Academic Progress Committee deals with decisions about the progress of individual students and can apply academic disciplinary measures. Its membership consists of the Master, Vice-Master (Academic), Senior Tutor, Dean and Chaplain, four Tutorial Fellows and, ex officio, the Praefectus and Domestic Bursar.
- Executive Committee deals primarily with the College's budget and its administration and meets weekly during term. It also has an approximately equal number of College Officers and non-officers as its membership and includes student representation.
- Remuneration Committee, with the Visitor as chair and with four other external and four internal members, meets termly in order to give oversight and counsel to the College's Governing Body with respect to the pay and benefits of its trustees and officers.

Most other committees in College are sub-committees of either the Academic Committee or Executive Committee. There are however two important exceptions, and both of them report direct to meetings of the Governing Body (referred to as College Meeting within the College):

The Chapel and Patronage Committee oversees the College Chapel and the several ecclesiastical livings for which the College retains a historic responsibility.

The Nominating Committee makes recommendations to College Meeting on who are to be College Officers and what the membership of committees should be.

The day-to-day running of the College is overseen by the Master. Academic matters are delegated primarily to the Academic Registrar and Senior Tutor and administrative and financial matters to the Finance Bursar and Domestic Bursar.

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

The College administers many special trusts and has one wholly owned non-charitable subsidiary, Balliol College Developments Limited, which is a company providing building contractor, conference and other event services on College premises whose annual profits are donated to the College under the Gift Aid Scheme.

The College is part of the collegiate University of Oxford. Material interdependencies between the University and the College arise as a consequence of this relationship.

## Balliol College

### Governing Body, Officers and Advisers

Year ended 31 July 2018

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#### MEMBERS OF THE GOVERNING BODY

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

The activities of the Governing Body are carried out through five main committees. Most other committees in the College are sub-committees of either the Academic Committee or Executive Committee. The membership of the five main College committees are shown below:

Fellow	Date of appointment / resignation	Tutorial Board	Academic Committee	Academic Progress Committee	Executive Committee	Remuneration Committee
Sir Drummond Bone	Retired 31 March 2018	•	•	•	•	•
Dame Helen Ghosh	Appointed 1 April 2018	•	•	•	•	•
Dr M Ballester		•				
Dr W Barford		•				
Prof JC Belich						
Dr B Blonder	Resigned 31 December 2017					
Prof MJ Burton						
Dr DJ Butt		•		•		
Dr C Cartis		•	•			
Dr A Caulton		•				
Prof RP Choudhury					•	
Mr RH Collier					•	•
Prof C Conn	Resigned 30 June 2018					
Dr MH Conway		•				•
Dr E Elkind					•	
Prof TAO Endicott		•	•			
Prof RW Field		•				
Mr JA Forder		•			•	
Prof B Foster						

## Balliol College

Governing Body, Officers and Advisers

Year ended 31 July 2018

Fellow	Date of appointment / resignation	Tutorial Board	Academic Committee	Academic Progress Committee	Executive Committee	Remuneration Committee
Dr J-P Ghobrial		•	•			
Dr HB Gittos		•				
Prof IA Goldin						
Prof LJM Green						
Prof FC Hamdy						
Dr SK Hazareesingh		•				
Dr N Hilliard	Resigned 31 August 2018					
Prof P Howard						
Prof AJ Hurrell						
Dr A Kaiserman	Appointed 1 October 2016	•				
Dr AD Kelly		•				
Revd B Kinsey				•		
Prof Dame FC Kirwan	Resigned 31 December 2018	•				
Dr GI Lamond		•			•	
Dr EF Lombardi		•	•	•		
Dr DM Lucas		•				
Prof A Lukas		•		•		
Dr S Marnette		•				
Prof TF Melham		•			•	
Dr L Miguelez Caverro						
Prof CZ Minkowski		•				
Dr DE Moulton		•				
Prof TH Noe		•				
Mr R Norman						
Prof DC O'Brien		•			•	•
Prof DM O'Hare		•	•	•		

**Balliol College**

Governing Body, Officers and Advisers

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Fellow	Date of appointment / resignation	Tutorial Board	Academic Committee	Academic Progress Committee	Executive Committee	Remuneration Committee
Dr R Ovenden						
Dr S Paoli						
Dr SP Perry		•				
Dr SM Peterson						
Dr R Quarrell		•			•	
Dr AJH Reichold		•				
Dr MJ Robinson		•				
Dr SM Shimeld		•	•			
Dr SA Skinner		•				
Dr A Smyth		•	•			
Dr J-C Tan		•	•			
Prof R Thomas		•				
Prof LN Trefethen						
Dr NZ Trott		•	•	•	•	
Prof P Tufano						
Dr A Venkatkrishnan	Resigned 30 September 2017					
Dr LJ Walker			•			
Prof S Zacchetti					•	
Prof M Zaccolo		•			•	

## **Balliol College**

**Governing Body, Officers and Advisers**

**Year ended 31 July 2018**

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### **COLLEGE SENIOR STAFF**

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

Dr NZ Trott	Academic Registrar and Senior Tutor
Mr RH Collier	Finance Bursar
Mrs F Wright (appointed 6 December 2018)	Domestic Bursar

### **COLLEGE ADVISERS**

#### **Investment managers**

Cazenove Capital Management, 12 Moorgate, London, EC2R 6DA

Commonfund Capital, Inc, 15 Old Danbury Road, P.O.Box 812, Wilton, CT, USA

Cordea Savills LLP, Lansdowne House, 57 Berkeley Square, London, W1J 6ER

Credit Suisse (UK) Limited, One Cabot Square, London. E14 4QJ

Isis College Funds, 62 Dean Street, London. W1D 4QF

OU Endowment Management, King Charles House, Park End Street, Oxford OX1 1JD

Oxford Investment Partners, Towers Watson Ltd, 21 Tothill Street, London, SW1H 9LL

Partners Capital LLP, 5<sup>th</sup> Floor, 5 Young Street, London, W8 5EH

Ruffer LLP, 80 Victoria Street, London. SW1E 5JL

Vanguard Asset Management Ltd, 4<sup>th</sup> Floor, The Walbrook Building, 25 Walbrook, London, EC4N 8AF

#### **Independent Auditors**

Crowe Clark Whitehill LLP, Aquis House, 49-51 Blagrove Street, Reading, RG1 1PL

#### **Bankers**

HSBC Bank Plc, 2<sup>nd</sup> Floor, Midland House, Seacourt, West Way, Botley, Oxford, OX2 0PL

#### **Solicitors**

Knights, Midland House, West Way, Botley, Oxford, OX2 0PH

#### **College address**

Balliol College, Broad Street, Oxford, OX1 3BJ

#### **Website**

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



## **Balliol College**

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

**Year ended 31 July 2018**

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## **OBJECTIVES AND ACTIVITIES**

### **Charitable Objects and Aims**

The College's Objects are to advance education, religion, learning and research, and to be a College within 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's aims for the public benefit are:

- To provide for members of the University of Oxford a college wherein they may participate in the educational facilities offered by, and study for degrees in, the University of Oxford.
- To do all such other things as are incidental or conducive to advancing education, learning and research in Oxford or elsewhere.
- The aims set for the College's subsidiary are to help finance the achievement of the College's aims as above.

### **Activities and objectives of the College**

The College exists to advance education at both undergraduate and graduate levels; to facilitate and to encourage scholarship and research at the very highest levels; to promote excellence in learning; to maintain a chapel and chaplaincy, and to serve as patron to its numerous livings.

### **Public benefit**

The College remains committed to the aim of providing public benefit in accordance with its Objects, and has continued to conduct its affairs during the year to 31 July 2018 in furtherance of these aims.

### **Education and Learning**

The College draws on its endowments and other income to provide undergraduate education in a wide range of subjects, within the context of the University of Oxford, to students recruited to the College on the basis of their academic record and promise. Balliol employs Tutors and Lecturers to teach and advise them; administrative and welfare staff to support them; and offers an array of academic and other educational facilities, including a Library, musical and theatrical spaces, diverse sporting facilities, and multiple environments for recreation, reflection, self-improvement, and debate. Graduate students have access to the same College facilities and services. To advance the education of its students the College offers a wide range of bursaries and scholarships, many established by endowment, and operates a generous programme of hardship grants, awarded on the basis of financial need by a Student Finance Committee. The oldest college in continuous existence on the same site in the University of Oxford, Balliol occupies a beautiful and historic site in the middle of the city with buildings dating from the fifteenth century. The College is normally open daily to the public, with access to the grounds and (as practicable) to the main public spaces. A brief history to the College is available to visitors.

Numerous Balliol events are also open to the public, including services in Chapel, occasional lectures and talks, and, every Sunday evening during term a concert in the College Hall, continuing a tradition of Balliol concerts that began in 1885. Balliol has long sought to make a contribution to the wider educational world. It appoints (normally from among its Fellowship) a representative on the Court of the University of Bristol; Trustees to Blundell's School and to Ludlow College; Trustees to the Keith Rae Trust; Trustees to the Balliol Society (which supports the College's charitable activities); Trustees to the Balliol Educational Trust; and Trustees to the Chalet Trust.

### **Research**

The College materially supports the research of its academic staff by a programme of sabbatical leave from tutorial duties, and by making available reasonable funds to support academic pursuits, and to subsidise research and publication (Statutes VIII.5). The Balliol Interdisciplinary Institute ("BII") was established in September 2010 to cultivate and support interdisciplinary research, straddling the humanities, the social

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sciences and the physical and medical sciences. The Institute gives senior members and graduate students the opportunity to propose and develop advanced research that requires contributions from more than one discipline.

At its annex in Holywell Manor, the College offers an academically stimulating home to a large and international community of graduate research students, admitted to their courses from a distinguished application by the University of Oxford, and a large number of PGT students on taught graduate courses. Graduate supervision is frequently undertaken by Fellows of the College. Holywell Manor offers a popular space for recreation, intellectual exchange, and debate.

The work of Balliol research students is additionally supported by a generous programme of graduate scholarships, many established by endowment, and the College makes numerous additional financial awards on the basis of unexpected hardship, administered by its Student Finance Committee. The College contributes to the research activity of the University by (for example) hosting the Oxford Internet Institute, and by administering the Numata Fund which supports Buddhist studies in Oxford.

The College has large and distinguished research collections under its curatorship, which it is pleased to make as fully available as possible. Its extensive collections of medieval and modern literary, political, and scientific papers are cared for in its specially constructed Historic Collections Centre at St Cross, Holywell. The Centre also houses the College's extensive Archives, a valuable source for historians of the nation as well as of Balliol and the University of Oxford. The College also cares for numerous paintings, especially portraits of former members; some pieces of silver, also mostly commemorative; and various objets d'art. The College has published several catalogues of its diverse holdings, in print and latterly on-line, and cataloguing continues. Bona fide researchers, including interested members of the public, are welcome to consult material in the College's care by appointment. The College has a liberal policy of lending items to exhibitions upon request.

Numerous scholarly projects have come to fruition with the College's ready collaboration, including (among others) editions of several medieval texts, editions of the poets Browning, Arnold, Clough, and Hopkins, and many other books and articles that demonstrate Balliol's ambitions to facilitate and extend scholarship and learning.

### **Religion**

The College maintains a Chaplaincy by Statute (VII.8), the Chaplain normally being a resident Fellow of the College. The Chapel offers services throughout the academic term which are open to the public. The College retains its position as Patron of twenty livings across England, a role which it assumes with proper diligence and care, keeping in close and supportive contact with its parishes, welcoming their representatives periodically to the College, and offering assistance in their activities as requested.

### **FUTURE PLANS**

The core elements of the College's future plans are as follows;

- To continue its principal activity to provide, promote and engage in education, learning and research.
- To continue those activities which support the public benefit aims.
- To improve the quality of all its provisions made by the College to its students, Fellows and others.
- To conduct development activities in order to secure the long-term future of the College.

As part of the College's plans to improve the quality of its provisions made to its students, construction has commenced of over 200 study bedrooms for students on the Master's Field. Approximately 140 of these rooms will be in addition to the number currently available allowing Balliol to offer accommodation to all its undergraduates for all their time at Oxford.

## **ACHIEVEMENTS AND PERFORMANCE**

### **Selected highlights of the 2017/18 year:**

With planning permission secured and a contractor appointed, the Master's Field Project has taken shape over, and given shape to, the year, from the conclusion of demolition and enabling works to the start of construction, in February 2018, followed by a ground-breaking ceremony in April, and the first of nine blocks going up in July. Drone and video time-lapse footage has given a fascinating overview of progress. So large a building programme is not without challenges and complexities, but budget, design, and quality are being closely attended to throughout. Meanwhile, the Broad Street site has not been neglected, and a schedule of stone-cleaning and restoration, along with internal staircase renovations, falling within the College's 10-year plan of works, has had a proud symbol in the return to the Brackenbury façade of the Brackenbury lion - no longer a danger to passers-by. Indoors, and on a smaller scale, the College's fabric was enhanced: a fascinating painting by Richard Eurich, known as The Garden Quad in Wartime, was visited by the artist's daughter in connection with a catalogue raisonné; a portrait of the Master by Valeriy Gridnev was unveiled; new desks came to the College Library, and the Library also acquired a manuscript by literary critic A.C. Bradley (Balliol 1868).

One big change to the way Oxford engages with the press and the wider public took place in the period, in the shape of a new Annual Admissions Report presenting many of the key statistics - for UK undergraduate students who are willing to disclose their information (that is, a sub-set of our total admissions) in any given year. Balliol came relatively well out of this first report by several important measures, though we are determined to make further progress, and are conscious that by one metric in particular, that of gender balance, we are 'worst in class'. In April 2018, the College published an Equality Report, and set itself Equality Objectives which reflect these and other markers of our responsibilities under the Public Sector Equality Duty. The task of modernising the College's long history of meritocratic admission is a matter of both presentation and action, and significant steps were taken in each direction last year, with a new undergraduate admissions video featuring current undergraduates (and with an alumna on the production company team), and with the successful award for the first time of the Balliol Students' Scholarship aimed at supporting talent among those in the UK with refugee or leave-to-remain status. To the core teaching work of the College, and stemming from its mission to admit the best undergraduate students regardless of background, has developed in recent times a commitment to 'outreach' - broadly, taking the message about the value of higher education and educational opportunity to young people and their schools and teachers, and especially to those who have the potential to succeed but who otherwise might not consider themselves capable of doing so. Balliol has been fortunate enough to appoint as its Outreach Officer someone with substantial experience of primary and secondary school education. It also has among its Fellowship the public engagement Lecturer in mathematics for the University, whose activity is having a big impact on the subject at all levels. The work of outreach takes many forms and, over this past year, has for instance seen the College participate in OxLibris, which brings local state school pupils to access university library resources and develop information skills; donate financial and human resources to Target Oxbridge, Target Schools, Oxford Pathways, and UNIQ, among other shared enterprises, and contribute to subject-specific and, in June and September, large-scale University Open Days involving almost all the teaching Fellows of the College. In addition to a tradition of governorship at Ludlow College, and more recently a formal link with Liverpool Life Sciences UTC, the College now has the Senior Tutor as a Board Director of a London Multi-Academy Trust. Visits to and from schools are frequent, and the College runs its own intensive 'Floreat' programme for Year 12 students in its link county of Hertfordshire (and this year took a decision to redirect that activity to areas of the county with greater disadvantage and diversity), and is piloting a new project bringing teachers to Balliol to develop their curricular materials in partnership with College tutors. The time and expertise which Balliol undergraduates and graduates commit to outreach includes, this year, making a video to address the question 'Does Truth Exist', as part of Oxplore, the University's new digital outreach portal for 11- to 18-year-olds. And, while it is of relevance as much to its alumni and the public at large as to potential applicants, Balliol extended its own social media presence, on Facebook and Instagram.

Beyond the UK, Balliol has reached out to the world in various ways, through former Master Andrew Graham's chairmanship of the Europaeum, an association of the leading universities in Europe, which celebrated its 25th anniversary at Balliol on 29 September 2017, and which launched its Europaeum

## **Balliol College**

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

**Year ended 31 July 2018**

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Scholars Programme at Balliol on 24 January 2018; in welcoming a group of young Baha'is to the College of which their early leader, Shoghi Effendi (1920), was a member; and in hosting a visit of 64 students and four professors from Xinya College, Tsinghua University, which several of our own students from China helped facilitate. As a place 'of all faiths and none', Balliol both took a lead in the colleges' gift to the Oxford Jewish Congregation to support the building of a new Ark in the Oxford synagogue; and, in the JCR, encountered and resolved (widely misreported) controversy in debating whether to prevent or permit the promotion of College religious societies at the Freshers' Fair; while on a secular and united front, Balliol joined in a city-wide flag-flying to celebrate 100 years of women's suffrage in the UK.

Turning briefly to its own affairs, the College saw major change in the final fond farewells to Professor Sir Drummond Bone and in the oath-taking of a new Master, Dame Helen Ghosh - remarkable, in the College's history, as much for the fact that she has no prior connection to Balliol as that she is the first woman to be its Head of House: this video message of June 2018 addressing alumni was made shortly after her arrival.

#### **In Memoriam:**

Of the losses to the College over the past year, three in particular might be mentioned: The Right Hon Sir Henry Brooke CMG PC (Balliol 1957 and Honorary Fellow), on 30 January 2018; John Michael Prest MA Camb MA Oxf (Fellow and Tutor in Modern History 1954-1996 and Emeritus Fellow from 1996), 3 July 2018, and Dr James Smith CBE, FREng, FRSE (Foundation Fellow from 1993), on 10 July 2018.

#### **Academic appointments:**

Michaelmas Term 2017 witnessed the arrival of Helen Gittos as Tutor in Early Medieval History, as also the second wave of appointees in the College's new Career Development Fellowship programme - to four-year posts in Modern Global History, Modern Languages (Spanish), and Computer Science. For a one-Tutor subject such as Computer Science the addition of senior academic resource is especially significant, but the other subjects too have benefited greatly, from specialisms and teaching capacity that were not otherwise represented in the College.

Balliol continues to make non-stipendiary appointments of early career scientists, who are typically able to obtain paid positions on grant funding in departments ('post-docs'), and two such Research Fellows have joined the College on these terms in the past year, in Biomedicine and in Physics.

As usual, we also hosted a number of visiting academics, notably through the prestigious University-linked US-focussed programmes of the Eastman and Winant Professorships. And among appointments the College made, for election the following year, were fixed-term research positions in Astrophysics, Zoology, and Classical Indology.

#### **Select honours and distinctions to Balliol Old Members**

There were New Year Honours and Queen's Birthday Honours; there were elections to the Fellowship of the British Academy and of the Royal Society; an honorary degree was conferred at Encaenia; appointments were made to the Governorship of Western Australia, to be Deputy President of the Supreme Court and to the Queen's Counsel, as well as ministerial posts in HM Government. Movingly, an award of the Légion d'Honneur to commemorate Wartime heroism in the liberation of France came just too late to reach its intended recipient. Another posthumous award was made of the RSA Albert Medal, for social innovation. Thankfully, other alumni were able to receive the Serena Medal of the British Academy and the Princess of Asturias Award in Social Sciences. Early career and postdoctoral alumni garnered between them two Fulbrights, one Leverhulme, and a US Department of Energy Award. An alumna became the first woman to be appointed Warden of Rhodes House (and 7th Balliol member to fill the role), a former Research Fellow won the Vice-Chancellor's Innovation Award 2018, and a former College Lecturer was appointed Pro-Vice-Chancellor (Research) of the University. Balliol artists and creatives also made a showing: an alumna's painting went on display in the Weston Library, while the exhibition itself also featured a portrait of former Professorial Fellow and first woman to hold the post of Bodley's Librarian; Staffa, the composition of an Old Member, was performed at the 70th Anniversary Celebration Concert of the Edinburgh International Festival 2017, and *England is Mine*, the debut feature film of another alumnus, was released in UK cinemas the

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

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same month. Last but not least, World Cup football became a Balliol mathematics challenge when an alumna calculated how much it would cost to fill the 682 spots in the accompanying Panini sticker album.

#### **Select honours and distinctions to current Balliol Fellows and tutors**

Staying with mathematics, perhaps the most signal achievement among the current Fellowship during the period was the appointment of Tutorial Fellow Frances Kirwan to the Savilian Chair of Geometry at Oxford, the 20th Savilian Professor, the fourth from Balliol, and the first woman to be thus elected; and most notable among the Emeritus Fellows, the award to Joseph Raz of the Tang Prize. A Foundation Fellow received an honorary degree and an Honorary Fellow received a

prize for scholarship. Four Tutorial Fellows achieved Recognition of Distinction awards, and with them the title of Professor, two won and a third was shortlisted for Oxford SU Student-Led Teaching Awards, and there were appointments among the Fellows to the positions of Vice-President of the Royal Society, trustee of The Alan Turing Institute, and Co-Chair of the Cochrane Board. Successful funding applications included a 5-year ERC Consolidator Grant, an APEX research award and ASN Young Investigator Award, and in the humanities and social sciences publications came in monograph, article, and radio format. One pleasing aspect of the year's research output was the extent to which Balliol Fellows worked alongside Balliol graduates, past and present, in achieving a top democracy award, a next step in the arduous pursuit of quantum technology, and a demonstration on radio of developments in engineering nanoscience.

#### **Select achievements of Balliol students**

Each year seemingly brings at least one new student activity to the fore: last year it was the founding of both a Balliol climbing club and a Balliol Improv Group. And each year shows the reach and diversity of student talent and of the outlets for it in the modern world - from a single-atom photographic prize-winner to a Model European Parliament presidency, from reaching the world final of a programming contest to winning a science journalism competition. Graduates organised and hosted two day-long events to showcase their collective intelligence, in the third Holywell Manor Festival, held in April, and at a Festival of Ideas held at Ditchley Park in July. Individually, student scientists modelled the evolution of the division of labour in species, gained a Clifford G. Shull Fellowship and reached the final of the TARGETjobs Undergraduate of the Year awards. A Balliol MBA student was on the Oxford team that won an international finance competition in New York. Closer to home, it was especially pleasing that two Balliol graduates won Departmental Tutor/TA teaching awards and another won the Oxford SU Best Postgraduate Teacher Award.

There were the usual ups and downs on the river, at Torpids in March and Summer Eights in May 2018, and a huge variety of sporting achievements, notably in the Varsity Athletics, and - new to Balliol - in powerlifting.

Last but not least, of the 113 undergraduates who sat Finals in 2017, 44 achieved Firsts.

#### **Donor relations**

Gifts large and small have been gratefully received. An important testimony to the former took place in March 2018, in a ceremony to celebrate the latest names to be added to the Major Benefactors' plaque in the Library Passage. Old Members also generously gave £104,000 in the September 2017 Telethon - a fundraiser in which the phone manners of Balliol students play a crucial role.

### **FINANCIAL REVIEW**

#### **Reserves policy**

The College's reserves policy is to maintain sufficient free reserves to enable it to meet its short-term financial obligations in the event of an unexpected revenue shortfall, to allow the College to be managed efficiently and to provide a buffer that would ensure uninterrupted services.

Total funds of the College and its subsidiary at the year-end amounted to £139m (2017: £132m). This includes endowment capital of £119m and unspent restricted income funds totalling £4m. Free reserves at the year-end amounted to £3m (2017: £3m), representing retained unrestricted income reserves excluding

an amount of £15m for the book value of tangible fixed assets funds (less allocated bond funding associated with the assets under construction) and the pension funding agreement reserve.

#### **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. The College considers its principal risks to be the health and safety risks in operating a large site, the protection of sensitive data and the recruitment and retention of high calibre staff. When it is not able to address risk issues using internal resources, the College takes advice from experts external to the College with specialist knowledge. Policies and procedures within the College are reviewed by the relevant College Committee. Financial risks are assessed by the Executive Committee and investment risks are monitored by the Investment Committee. Training courses and other forms of career development are available 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 subsidiaries are exposed and have concluded that adequate systems are in place to manage these risks.

#### **Investment policy, objectives and performance**

The Investment Committee continues to review the strategy that the College has put in place: generation of income, risk reduction, diversification and the building of returns which reflect Balliol's financial requirements, and which has been revised with external investment consultants Lane, Clark & Peacock.

To meet these objectives the College's investments 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. Under the total return accounting basis, it is the Governing Body's policy to extract as income 3.5% of the value of the endowment. However to smooth and moderate the amounts withdrawn this 3.5% is calculated on the weighted and indexed average of the endowment over a four year period using the value as at the 31 March each year.

The College's invested assets, excluding the investment of the bond proceeds, generated a total gross return during the year to 31 July 2018 of 9% (2017: 9%). The greater part of the endowment is invested in well-diversified holdings in the capital markets; 29% is in a multi-asset class portfolio with Partners Capital, 25% is held with Oxford University Endowment Management, 21% in low-cost equity trackers with Vanguard, 9% with Towers Watson, consisting largely of maturing private equity investments, 9% in UK property by means of units in the Charities Property Fund and 7% is held with an Absolute return manager, Ruffer.

In December 2015 the College issued a private placement bond to fund the development of additional student accommodation around the Mater's Field. The placement, of £35m, at a fixed rate of 3.37% for a period of 45 years, was invested in low-risk investments with the aim of drawing down capital when the funds are required for the project. During the year, capital has been withdrawn from these investments to meet the requirements of the project, whilst some additional College investments have been transferred into these low-risk investments to draw against when required.

#### **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 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).

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

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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 judgments 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 7<sup>th</sup> November 2018 and signed on its behalf by:

Dame Helen Ghosh, Master.

## **Balliol College**

### **Statement of Accounting Policies**

**Year ended 31 July 2018**

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#### **Opinion**

We have audited the financial statements of Balliol College for the year ended 31 July 2018 which comprise the Consolidated Statement of Financial Activities, Consolidated and College Balance Sheet, 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.



## Balliol College

### Statement of Accounting Policies

Year ended 31 July 2018

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#### 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 8 - 9, 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

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**  
19th November 2018

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.

## **Balliol College**

### **Statement of Accounting Policies**

**Year ended 31 July 2018**

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#### **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 Balliol College Developments Limited. No separate SOFA or statement of cash flows have been presented for the College alone as currently permitted by FRS102: The Financial Reporting Standard applicable in the UK and Republic of Ireland.

A summary of the results and financial position of the charity and its subsidiary for the reporting year are set out in note 11.

#### **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 judgments and estimation uncertainty**

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

Before legacies are recognised in the financial statements, the Governing Body has to exercise judgment as to what constitutes sufficient evidence of entitlement to the bequest. Sufficient entitlement exists once notification of payment has been received from the executor(s) of the estate or estate accounts are available which indicate there are sufficient funds in the estate after meeting liabilities for the bequest to be paid.

The investments held by the College are included at fair value. These valuations are based on information prepared by the relevant investment managers.

With respect to the next financial year, the most significant areas of uncertainty that affect the carrying value of assets held by the College are the level of investment return and the performance of investment markets.

#### **4. Basis of consolidation**

The consolidated statement of financial activities, the consolidated balance sheet and the consolidated cash flow statement include the financial statements of the College and its subsidiary made up to 31 July 2018, using uniform accounting policies. Intra group transactions are eliminated fully on consolidation.

#### **5. Investment in subsidiary undertakings**

Investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the trustees when there has been an indication of potential impairment.

## Balliol College

### Statement of Accounting Policies

Year ended 31 July 2018

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#### 6. Incoming resources from fee income, Office for Students support and other charges for services

Fees receivable, Office for Students support and charges for services and use of the premises, less any scholarships, bursaries or other allowances granted by the College, but including contributions received from restricted funds, are accounted for in the period in which the related service is provided.

#### 7. Incoming resources from donations and legacies

Voluntary income is accounted for when the College has entitlement to the funds, the amount can be reliably quantified and receipt is probable.

Voluntary income received for the general purpose of the College is credited to unrestricted funds.

Voluntary income which is subject to specific wishes of the donor is credited to the relevant restricted fund or, where the donation, grant or legacy is required to be held as capital, to the endowment funds. Where voluntary income is received otherwise than in cash, it is valued at the market value of the underlying assets received at the date of receipt.

#### 8. Investment income

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

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

#### 9. Expenditure

Expenditure is accounted for on an accruals basis. Indirect expenditure is apportioned to expenditure categories based on the estimated amount attributable to that activity in the year, either by reference to staff time or the use made of the underlying assets, as appropriate. Irrecoverable VAT is included with the item of expenditure to which it relates.

Grants awarded are expensed as soon as they become legal or operational commitments.

Governance costs comprise the costs of complying with constitutional and statutory requirements.

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

#### 10. Tangible fixed assets

Major expenditure on the acquisition, construction or enhancement of land and buildings and expenditure on equipment costing more than £10,000 is capitalised and carried in the balance sheet at historical cost. The cost of tangible fixed assets is their purchase cost together with any incidental expenses of acquisition.

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

#### 11. 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 land and buildings, including major extensions	50 years
Building improvements	10 - 30 years
Kitchen equipment	5 years

## Balliol College

### Statement of Accounting Policies

Year ended 31 July 2018

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A full year's depreciation is charged in year of purchase, unless the asset is under construction, in which case depreciation is charged from the year in which the asset is brought into economic use. Freehold land is not depreciated.

The costs of maintenance is charged in the Statement of Financial Activities in the period in which it is incurred.

#### 12. Investments

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

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

#### 13. 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.

#### 14. Foreign currencies

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

#### 15. Total Return investment accounting

The College statutes authorise the College to adopt a 'total return' basis for the investment of its endowment. The College can invest its endowments without regard to the capital/income distinctions of trust law and with discretion to apply any part of the accumulated total return on the investment as income for spending each year.

#### 16. Fund accounting

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

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

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

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

## **Balliol College**

### **Statement of Accounting Policies**

**Year ended 31 July 2018**

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#### **17. 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 FRS102. The College's contributions to these schemes are charged in the period in which the salaries to which the contributions relate are payable. Both schemes have agreed deficit funding plans in place to and a liability has been recognised based on assumptions on the increase in pay levels and changes in staff numbers.

#### **18. Financial instruments**

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as either financial assets or financial liabilities. The College and Group only have financial assets and liabilities that are classified as basic financial instruments. Most basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value, which is not materially different to amortised cost. The long-term bond, entered into in December 2015, is subsequently measured at amortised cost using the effective interest method.

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

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2018 Total £'000	2017 Total £'000
<b>INCOME AND ENDOWMENTS FROM:</b>						
<b>Charitable activities:</b>						
Teaching, research and residential	1	5,842	-	-	5,842	5,686
Other trading income	3	2,043	-	-	2,043	2,016
Donations and legacies	2	419	867	981	2,267	6,701
<b>Investments</b>						
Investment income	4	10	-	2,453	2,463	2,638
Total return allocated to income	12	1,257	2,534	(3,791)	-	-
Other income		33	194	-	227	218
<b>Total income</b>		<b>9,604</b>	<b>3,595</b>	<b>(357)</b>	<b>12,842</b>	<b>17,259</b>
<b>EXPENDITURE ON:</b>						
<b>Charitable activities:</b>						
Teaching, research and residential		8,514	3,487	-	12,001	11,622
<b>Raising funds:</b>						
Fundraising		470	10	-	480	450
Trading expenditure		1,210	-	-	1,210	993
Investment management costs		-	-	-	-	-
<b>Total expenditure</b>		<b>10,194</b>	<b>3,497</b>	<b>-</b>	<b>13,691</b>	<b>13,065</b>
<b>Net (expenditure) / income before gains</b>		<b>(590)</b>	<b>98</b>	<b>(357)</b>	<b>(849)</b>	<b>4,194</b>
Net gains on investments	10	351	-	7,538	7,889	9,113
<b>Net (expenditure) / income</b>		<b>(239)</b>	<b>98</b>	<b>7,181</b>	<b>7,040</b>	<b>13,307</b>
<b>Transfers between funds</b>	16	1,467	(249)	(1,218)	-	-
<b>Net movement in funds for the year</b>		<b>1,228</b>	<b>(151)</b>	<b>5,963</b>	<b>7,040</b>	<b>13,307</b>
Fund balances brought forward	16	16,628	2,482	113,164	132,274	118,967
<b>Funds carried forward at 31 July</b>		<b>17,856</b>	<b>2,331</b>	<b>119,127</b>	<b>139,314</b>	<b>132,274</b>

*The notes on pages 24 to 39 are an integral part of these financial statements.*

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

		2018	2017	2018	2017
	Note	Group	Group	College	College
		£'000	£'000	£'000	£'000
<b>FIXED ASSETS</b>					
Tangible assets	9	23,045	15,415	23,045	15,415
Investments	10	149,014	148,954	149,014	148,954
<b>Total fixed assets</b>		<b>172,059</b>	<b>164,369</b>	<b>172,059</b>	<b>164,369</b>
<b>CURRENT ASSETS</b>					
Stocks		41	34	41	34
Debtors	13	1,184	3,474	1,438	3,247
Investments		-	1,996	-	1,996
Cash at bank and in hand		4,694	1,327	3,607	1,098
<b>Total current assets</b>		<b>5,919</b>	<b>6,831</b>	<b>5,086</b>	<b>6,375</b>
<b>LIABILITIES</b>					
Creditors: Amounts falling due within one year	14	2,475	2,691	1,792	2,582
<b>NET CURRENT ASSETS</b>		<b>3,444</b>	<b>4,140</b>	<b>3,294</b>	<b>3,793</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>175,503</b>	<b>168,509</b>	<b>175,353</b>	<b>168,162</b>
<b>CREDITORS: Amounts falling due after more than one year</b>	15	<b>34,725</b>	<b>34,723</b>	<b>34,725</b>	<b>34,723</b>
<b>NET ASSETS BEFORE PENSION LIABILITY</b>		<b>140,778</b>	<b>133,786</b>	<b>140,628</b>	<b>133,439</b>
Defined benefit pension scheme liability	21	1,464	1,512	1,464	1,512
<b>TOTAL NET ASSETS</b>		<b>139,314</b>	<b>132,274</b>	<b>139,164</b>	<b>131,927</b>
<b>FUNDS OF THE COLLEGE</b>					
Endowment funds	16	119,127	113,164	119,127	113,164
Restricted funds	16	2,331	2,482	2,331	2,482
Unrestricted funds					
Designated funds	16	15,246	15,416	15,246	15,416
General funds	16	4,074	2,724	3,924	2,377
Pension reserve	21	(1,464)	(1,512)	(1,464)	(1,512)
<b>TOTAL FUNDS</b>		<b>139,314</b>	<b>132,274</b>	<b>139,164</b>	<b>131,927</b>

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

Dame Helen Ghosh, Master

Richard H Collier, Finance Bursar

*The notes on pages 24 to 39 are an integral part of these financial statements.*

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

		2018	2017
	Note	£'000	£'000
<b>Cashflows from operating activities:</b>			
<b>Net cash used in operating activities</b>	23	<u>47</u>	<u>(2,076)</u>
<b>Cash flows from investing activities</b>			
Dividends and interest from investments		2,492	2,652
Purchase of property, plant and equipment		(8,702)	(4,264)
Proceeds from sale of investments		14,413	2,833
Purchase of investments		(7,860)	(4,989)
<b>Net cash used in investing activities</b>		<u>343</u>	<u>(3,768)</u>
<b>Cash flows from financing activities</b>			
Cash inflows from new borrowing		-	-
Receipt of endowment		981	5,110
<b>Net cash provided by financing activities</b>		<u>981</u>	<u>5,110</u>
<b>Change in cash and cash equivalents in the reporting year</b>		<u>1,371</u>	<u>(734)</u>
<b>Cash and cash equivalents at the beginning of the reporting year</b>		<u>3,323</u>	<u>4,057</u>
<b>Cash and cash equivalents at the end of the reporting year</b>	24	<u>4,694</u>	<u>3,323</u>

*The notes on pages 24 to 39 are an integral part of these financial statements.*



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

**1 INCOME FROM CHARITABLE ACTIVITIES**

	<b>2018</b>	2017
	<b>£'000</b>	£'000
<b>Teaching, Research and Residential</b>		
Unrestricted funds		
Tuition fees - UK and EU students	1,828	1,715
Tuition fees - Overseas students	918	903
Other fees	15	14
Other HEFCE support	236	236
Other academic income	116	94
College residential income	2,729	2,724
	<u>5,842</u>	<u>5,686</u>
<b>Total Teaching, Research and Residential</b>	<u>5,842</u>	<u>5,686</u>
<b>Total income from charitable activities</b>	<u>5,842</u>	<u>5,686</u>

The above analysis includes £2,899k received from the University of Oxford from publicly accountable funds under the CFF Scheme (2017: £2,899k).

Under the terms of the undergraduate student support package offered by the University of Oxford to students from lower income households, the College share of the fees waived amounted to £6k. These are not included in the fee income reported above.

**2 DONATIONS AND LEGACIES**

	<b>2018</b>	2017
	<b>£'000</b>	£'000
<b>Donations and Legacies</b>		
Unrestricted funds	419	522
Restricted funds	867	1,069
Endowment funds	981	5,110
	<u>2,267</u>	<u>6,701</u>

**3 OTHER TRADING INCOME**

	<b>2018</b>	2017
	<b>£'000</b>	£'000
Conference, catering and trading income	2,043	2,016
Other trading income	-	-
	<u>2,043</u>	<u>2,016</u>

**4 INVESTMENT INCOME**

	<b>2018</b>	2017
	<b>£'000</b>	£'000
<i>Unrestricted funds</i>		
Bank interest	7	5
Other investment income	3	5
	<u>10</u>	<u>10</u>
<i>Endowment funds</i>		
Other investment income	2,453	2,628
	<u>2,453</u>	<u>2,628</u>
<b>Total investment income</b>	<u>2,463</u>	<u>2,638</u>

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

5 ANALYSIS OF EXPENDITURE	2018	2017
	£'000	£'000
<b>Charitable expenditure</b>		
Direct staff costs allocated to:		
Teaching, research and residential	5,464	4,891
Other direct costs allocated to:		
Teaching, research and residential	3,573	4,005
Support and governance costs allocated to:		
Teaching, research and residential	2,964	2,726
<b>Total charitable expenditure</b>	<u>12,001</u>	<u>11,622</u>
<b>Expenditure on raising funds</b>		
Direct staff costs allocated to:		
Fundraising	296	267
Trading expenditure	876	657
Investment management costs	-	-
Other direct costs allocated to:		
Fundraising	172	169
Trading expenditure	250	234
Investment management costs	-	-
Support and governance costs allocated to:		
Fundraising	12	14
Trading expenditure	84	102
Investment management costs	-	-
<b>Total expenditure on raising funds</b>	<u>1,690</u>	<u>1,443</u>
<b>Total expenditure</b>	<u>13,691</u>	<u>13,065</u>

The resources expended in 2017 represented £10,265k from unrestricted funds, £2,112k from restricted funds and £688k from endowment funds.

In 2017, the College was liable to be assessed for Contribution under the provisions of Statute XV of the University of Oxford which ended in 2018. 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. In 2017 the College Contribution payable was £81k.

Foreign exchange gains of £1k (2017: £2k) are reflected in the net income.

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

**6 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS**

	Generating Funds £'000	Teaching and Research £'000	2018 Total £'000
Financial administration	90	519	609
IT	6	116	122
Depreciation	-	965	965
Other finance charges	-	1,340	1,340
Governance costs	-	24	24
	<u>96</u>	<u>2,964</u>	<u>3,060</u>

	Generating Funds £'000	Teaching and Research £'000	2017 Total £'000
Financial administration	84	469	553
IT	-	139	139
Depreciation	-	619	619
Other finance charges	-	773	773
Governance costs	-	81	81
	<u>84</u>	<u>2,081</u>	<u>2,165</u>

Financial administration, IT and human resources costs are attributed according to the estimated staff time spent on each activity. Depreciation costs are attributed according to the use made of the underlying assets. Interest and other finance charges are attributed according to the purpose of the related financing. Governance costs are allocated according to the type of work undertaken.

	2018 £'000	2017 £'000
<b>Governance costs comprise:</b>		
Auditor's remuneration - audit services	24	55
Auditor's remuneration - other services	-	23
Legal and other fees on constitutional matters	-	3
	<u>24</u>	<u>81</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 in note 20.

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

<b>7</b>	<b>GRANTS AND AWARDS</b>	<b>2018</b>	<b>2017</b>
		<b>£'000</b>	<b>£'000</b>

During the year the College funded research awards and bursaries to students from its restricted and unrestricted funds as follows:

**Unrestricted funds**

Grants to individuals:

Scholarships, prizes and grants	149	180
Bursaries and hardship awards	111	136
<b>Total unrestricted</b>	<b>260</b>	<b>316</b>

**Restricted funds**

Grants to individuals:

Scholarships, prizes and grants	766	499
Bursaries and hardship awards	96	140
<b>Total restricted</b>	<b>862</b>	<b>639</b>

**Total grants and awards**

<b>1,122</b>	<b>955</b>
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The above costs are included within expenditure on charitable activities.

Included within the above is the cost to the College of the Oxford Bursary scheme. Students of the College received £93k (2017: £98k) from this scheme.

<b>8</b>	<b>STAFF COSTS</b>	<b>2018</b>	<b>2017</b>
		<b>£'000</b>	<b>£'000</b>

The aggregate staff costs for the year were as follows.

Salaries and wages	5,825	5,068
Social security costs	482	451
Pension costs: Defined benefit schemes	805	929
	<b>7,112</b>	<b>6,448</b>

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

	2018 Number	2017 Number
Tuition and research	28	27
College residential	104	106
Fundraising	6	7
Support	14	10
<b>Total</b>	<b>152</b>	<b>150</b>

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

	2018 Number	2017 Number
University Lecturers	21	21
CUF Lecturers	10	10
Other teaching and research	8	10
Other	5	6
<b>Total</b>	<b>44</b>	<b>47</b>

The following information relates to the employees of the College, excluding the College Trustees. Details of the remuneration of the College Trustees is disclosed in note 20.

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

£60,001-£70,000	<b>3</b>	<b>2</b>
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The number of the above employees with retirement benefits accruing was as follows:

In defined benefits schemes	<b>3</b>	<b>2</b>
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Details of the pension schemes are included in Note 21.

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

9 TANGIBLE ASSETS			
Group and College	Assets under the course of construction £'000	Freehold land and buildings £'000	Total £'000
<b>Cost</b>			
At start of year	3,340	17,775	21,115
Additions	6,657	2,045	8,702
<b>At end of year</b>	<b>9,997</b>	<b>19,820</b>	<b>29,817</b>
<b>Depreciation and impairment</b>			
At start of year	-	5,700	5,700
Depreciation charge for the year	-	965	965
Impairment	-	107	107
<b>At end of year</b>	<b>-</b>	<b>6,772</b>	<b>6,772</b>
<b>Net book value</b>			
<b>At end of year</b>	<b>9,997</b>	<b>13,048</b>	<b>23,045</b>
At start of year	3,340	12,075	15,415

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.

Houses and flats belonging to the College are intrinsically linked to the College so it is not considered appropriate to give a separate valuation of these properties.

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

**10 INVESTMENTS**

All investments are held at fair value.

	2018	2017
	£'000	£'000
<b>Group investments</b>		
Valuation at start of year	148,954	139,722
New money invested	7,860	4,989
Amounts withdrawn	(15,689)	(4,870)
Investment management fees	-	-
Increase in value of investments	7,889	9,113
<b>Group investments at end of year</b>	<b>149,014</b>	<b>148,954</b>
Investment in subsidiaries	-	-
<b>College investments at end of year</b>	<b>149,014</b>	<b>148,954</b>

Group investments comprise:	Held outside		Held in		2018		2017	
	the UK	the UK	the UK	the UK	Total	Total	Total	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Equity investments	23,131	1,226	24,357	25,428	683	26,111		
Global multi-asset funds	12,582	5,216	17,798	18,329	6,905	25,234		
Property funds	1,143	13,546	14,689	1,120	12,866	13,986		
Fixed interest stocks	51,977	16,321	68,298	52,533	18,302	70,835		
Alternative and other investments	7,428	2,235	9,663	7,479	2,002	9,481		
Fixed term deposits and cash	1,687	12,520	14,207	614	2,693	3,307		
<b>Total group investments</b>	<b>97,948</b>	<b>51,064</b>	<b>149,012</b>	<b>105,503</b>	<b>43,451</b>	<b>148,954</b>		

**11 PARENT AND SUBSIDIARY UNDERTAKINGS**

The College holds 100% of the issued share capital in Balliol College Developments Limited (Company number 04495361), a company providing building contractor, conference and other event services on the College premises.

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

	Balliol College	Balliol College Developments Limited
	£'000	£'000
Income	12,842	8,036
Expenditure	(13,691)	(7,886)
Net gains / (losses) on investments	7,889	-
<b>Result for the year</b>	<b>7,040</b>	<b>150</b>
Total assets	177,145	1,448
Total liabilities	(37,981)	(1,298)
<b>Net funds at the end of year</b>	<b>139,164</b>	<b>150</b>

During the year Balliol College Developments Limited charged Balliol College £6,657k (2017: £2,566k) for the cost for the development for the Master's Field. Balliol College charged Balliol College Developments Limited £1,227k (2017: £1,215k) for the use of College facilities and the use of College staff for Balliol College Developments Limited's conference and catering activities. At the year end the amount owing to Balliol College by Balliol College Developments Limited was £514k (see note 13). (2017: Amount owing to Balliol College Developments Limited £680k, note 14).

**Balliol College**  
**Notes to the financial statements**  
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**12 STATEMENT OF INVESTMENT TOTAL RETURN**

The Trustees have adopted a duly authorised policy of total return accounting for the College investment returns. The investment return to be applied as income is calculated as 3.5% (2017: 3.75%) of the weighted average of the value of the relevant investments as at 31 March in each of the last four years. The preserved (frozen) value of the invested endowment capital represents its open market value in 2012 together with all subsequent endowments valued at date of 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	1,462	-	1,462	-	1,462
Unapplied total return	-	336	336	-	336
Expendable endowment	-	-	-	111,366	111,366
<b>Total Endowments</b>	<b>1,462</b>	<b>336</b>	<b>1,798</b>	<b>111,366</b>	<b>113,164</b>
<b>Movements in the reporting year:</b>					
Gift of endowment funds	-	-	-	981	981
Investment return: total investment income	-	39	39	2,414	2,453
Investment return: realised and unrealised gains and losses	-	120	120	7,418	7,538
Other transfers	-	-	-	(1,218)	(1,218)
<b>Total</b>	<b>-</b>	<b>159</b>	<b>159</b>	<b>9,595</b>	<b>9,754</b>
Unapplied total return allocated to income in the reporting period	-	(60)	(60)	60	-
Expendable endowments transferred to income	-	-	-	(3,791)	(3,791)
	-	(60)	(60)	(3,731)	(3,791)
<b>Net movements in reporting year</b>	<b>-</b>	<b>99</b>	<b>99</b>	<b>5,864</b>	<b>5,963</b>
<b>At end of the reporting year:</b>					
Gift component of the permanent endowment	1,462	-	1,462	-	1,462
Unapplied total return	-	435	435	-	435
Expendable endowment	-	-	-	117,230	117,230
<b>Total Endowments</b>	<b>1,462</b>	<b>435</b>	<b>1,897</b>	<b>117,230</b>	<b>119,127</b>

**Balliol College**  
**Notes to the financial statements**  
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**13 DEBTORS**

	2018	2017	2018	2017
	Group	Group	College	College
	£'000	£'000	£'000	£'000
<b>Amounts falling due within one year:</b>				
Trade debtors	354	407	285	184
Amounts owed by College members	153	145	153	145
Amounts owed by Group undertakings	-	-	514	-
Prepayments and accrued income	486	2,918	486	2,918
Other debtors	191	4	-	-
	<u>1,184</u>	<u>3,474</u>	<u>1,438</u>	<u>3,247</u>

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

	2018	2017	2018	2017
	Group	Group	College	College
	£'000	£'000	£'000	£'000
Trade creditors	783	829	242	369
Amounts owed to College Members	125	129	125	129
Amounts owed to Group undertakings	-	-	-	680
Taxation and social security	134	129	235	247
College contribution	-	78	-	78
Accruals and deferred income	662	733	419	286
Other creditors	771	793	771	793
	<u>2,475</u>	<u>2,691</u>	<u>1,792</u>	<u>2,582</u>

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

	2018	2017	2018	2017
	Group	Group	College	College
	£'000	£'000	£'000	£'000
Bond notes	34,725	34,723	34,725	34,723
	<u>34,725</u>	<u>34,723</u>	<u>34,725</u>	<u>34,723</u>

In December 2015 the College entered into an unsecured note purchase agreement for £35m at a fixed rate of 3.37% with interest being payable half-yearly. The notes are due for repayment after 45 years, in December 2060.



**Balliol College**  
**Notes to the financial statements**  
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**16 ANALYSIS OF MOVEMENTS ON FUNDS**

	At 1 August 2017 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2018 £'000
<b>Endowment Funds - Permanent</b>						
War Memorial Fund 1920	1,798	39	-	(60)	120	1,897
<b>Endowment Funds - Expendable</b>						
General Fund	37,700	914	-	(2,457)	2,514	38,671
700th Anniversary Fund	11,515	247	-	(382)	766	12,146
Alfred Douglas Stone Fund	733	16	-	(24)	49	774
Andrew Graham Fellow in Economics	1,514	36	-	(51)	102	1,601
Asoke Kumar Sarkar Fell in Class Indol	1,242	26	-	(41)	83	1,310
Career Development Endowment Fund	674	586	-	(41)	45	1,264
Classics Fellowship Fund	2,978	64	-	(35)	198	3,205
Dervorguilla Fund	5,406	116	-	(179)	360	5,703
Dyson Fellowship in Greek Culture 1960	711	15	-	(24)	47	749
Endowment Fund 1904	2,766	59	-	(92)	184	2,917
Foley-Bejar Scholarship Fund	2,050	44	-	(68)	136	2,162
History Fellowships Fund	3,491	77	-	(116)	232	3,684
James Beeland Rogers Jr Endowment Fund	993	63	-	(34)	66	1,088
James Irvine Fund	807	46	-	(27)	54	880
John Henry Jones Scholarship Fund	1,679	36	-	(56)	112	1,771
Jowett Centenary Fund	2,572	-	-	-	-	2,572
Jowett Fellowship Fund	909	19	-	(30)	61	959
JT Hamilton Legacy Fund	918	20	-	(30)	61	969
Leveson Gower Bequest 1979	716	15	-	(24)	48	755
Lilian Margaret Gregson Fund	847	18	-	(28)	57	894
Management Studies Fellowship Fund	1,031	22	-	(34)	66	1,085
Mr Snell's Trust	831	18	-	28 #	55	932
Oxford Internet Institute Fund	3,932	84	-	(131)	262	4,147
Oxford-Rhodes-Balliol Scholarship	1,121	24	-	(37)	75	1,183
Roy Skinner Fund	1,144	25	-	(38)	76	1,207
Victor Hugo Fund 2008	597	100	-	(23)	40	714
War Memorial Appeal Fund 1947	953	20	-	(32)	63	1,004
William Westerman Fund	1,002	21	-	(33)	67	1,057
Yehan Numata Fund for Buddhist Studies	3,006	65	-	(100)	200	3,171
Other Fellowship funds	3,873	158	-	(131)	258	4,158
Other student support funds	8,974	247	-	(299)	597	9,519
Other purpose funds	4,682	194	-	(380)	484	4,980
<b>Total Endowment Funds - Group and College</b>	<b>113,164</b>	<b>3,434</b>	<b>-</b>	<b>(5,009)</b>	<b>7,538</b>	<b>119,127</b>
<b>Restricted Funds</b>						
Trust Funds restricted income	1,679	652	(2,809)	2,285	-	1,807
Other restricted income	792	194	(437)	-	-	549
Other operational funds	11	215	(251)	-	-	(25)
<b>Total Restricted Funds - Group and College</b>	<b>2,482</b>	<b>1,061</b>	<b>(3,497)</b>	<b>2,285</b>	<b>-</b>	<b>2,331</b>
Restricted funds held by subsidiaries	-	-	-	-	-	-
<b>Total Restricted Funds - Group</b>	<b>2,482</b>	<b>1,061</b>	<b>(3,497)</b>	<b>2,285</b>	<b>-</b>	<b>2,331</b>
<b>Unrestricted Funds</b>						
General	2,378	6,984	(8,683)	2,894 #	351	3,924
Fixed asset designated fund	15,416	-	-	(170)	-	15,246
Pension reserve	(1,512)	-	48	-	-	(1,464)
<b>Total Unrestricted Funds - College</b>	<b>16,282</b>	<b>6,984</b>	<b>(8,635)</b>	<b>2,724</b>	<b>351</b>	<b>17,706</b>
General	346	1,363	(1,559)	-	-	150
<b>Total Unrestricted Funds - Group</b>	<b>16,628</b>	<b>8,347</b>	<b>(10,194)</b>	<b>2,724</b>	<b>351</b>	<b>17,856</b>
<b>Total Funds</b>	<b>132,274</b>	<b>12,842</b>	<b>(13,691)</b>	<b>-</b>	<b>7,889</b>	<b>139,314</b>

The total return applied to income, as shown on the Consolidated Statement of Financial Activities under incoming resources, is included within the transfers column.

**Balliol College**  
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**17 FUNDS OF THE COLLEGE DETAILS**

The following is a summary of the origins and purposes of each of the Funds. Only Funds which have a capital value in excess of £1m are separately identified.

**Endowment Funds - Permanent:**

War Memorial Fund 1920

Capital balance of past donations to the War Memorial Fund 1920 where the related income, but not the original capital, can be used for the restricted purpose of the charity

**Endowment Funds - Expendable:**

General Fund

Capital balance of a consolidation of past gifts, donations and bequests where related income, or income and capital, can be used for the restricted purpose of the charity

700th Anniversary Fund

Capital balance of the 1963 appeal to celebrate the 700th anniversary of the College

Alfred Douglas Stone Fund

Established in 2004 to support College expenditure on student financial aid

Andrew Graham Fellow in Economics

Established in 2011 to support College expenditure on a fellowship in economics

Asoke Kumar Sarkar Fellowship Fund

Established in 2014 to fund a research fellowship in Classical Indology

Career Development Endowment Fund

Established to support the Career Development Fellows

Classics Fellowship Fund

As a result of an appeal to support College expenditure on classics fellowships

Dervorguilla Fund

Capital balance of gifts and donations to the 1980's Lady Dervorguilla Appeal

Dyson Fellowship in Greek Culture 1960

Established to support the a Fellowship in Greek culture

Endowment Fund 1904

Capital balance of the endowment appeal of 1904

Foley-Bejar Scholarship Fund

Established in 2001 to support College expenditure on student financial aid

History Fellowships Fund

As a result of an appeal to support College expenditure on history fellowships

James Beeland Rogers Jr Schol Fund

Established in 1991 to support College expenditure on student financial aid

James Irvine Fund

From a gift to support the Fellowships of the College

John Henry Jones Scholarship

Established in 2016 to support graduate scholarships

Jowett Centenary Fund

Capital balance of gifts and donations to the 1990's appeal to celebrate the Jowett centenary

Jowett Fellowship Fund

Established in 1907 to support College expenditure on fellowships

JT Hamilton Legacy Fund

Gift in 2004 to support College expenditure on student financial aid

Leveson Gower Bequest 1979

Established to support the study of Classics

Lilian Margaret Gregson Fund

From a gift to support students of the College

Management Studies Fellowship Fund

From a gift in 1996 for the support of management studies in the College and University

Mr Snell's Trust

Established in 1677 to foster the connection between Glasgow and College

Oxford Internet Institute Fund

From a gift in 2001 to support the Oxford Internet Institute which is located in the College

Oxford-Rhodes-Balliol Scholarship

Established in 2017 to support graduate Rhodes scholars coming to the College

Roy Skinner Fund

From a gift in 2001 to support College expenditure on student financial aid

Victor Hugo Fund

Established to support a Fellowship in Modern Languages

War Memorial Appeal Fund 1947

As a result of an appeal in 1947 in memory of Balliol men who died during the War to support expenditure on scholarships and fellowships

William Westerman Fund

Established in 2010 to support the Pathfinder Programme for visits by students to North America and Australasia

Yehan Numata Fund for Buddhist Studies

Established in 1990 for the support of Buddhist studies in the College and University

Other Fellowship funds

A consolidation of various funds established for the support of fellowships

Other student support funds

A consolidation of various funds established for the support of student financial aid

Other purpose funds

A consolidation of various funds established for the support of College expenditure on the library, sport and the general academic purposes at the College

**Restricted Funds:**

Trust Funds accumulated balances

Accumulated cash balances of all the other Trust Funds held and administered by College

Other operational funds

Various cash balances held by College from restricted purpose gifts

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.

**Balliol College**  
**Notes to the financial statements**  
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**18 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2018 Total £'000
Tangible fixed assets	23,045	-	-	23,045
Property investments	-	-	-	-
Other investments	27,556	2,331	119,127	149,014
Net current assets	3,444	-	-	3,444
Long term liabilities and pension liability	(36,189)	-	-	(36,189)
	<u>17,856</u>	<u>2,331</u>	<u>119,127</u>	<u>139,314</u>

  

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2017 Total £'000
Tangible fixed assets	15,415	-	-	15,415
Property investments	-	-	-	-
Other investments	33,308	2,482	113,164	148,954
Net current assets	4,140	-	-	4,140
Long term liabilities	-	-	-	-
Long term liabilities and pension liability	(36,235)	-	-	(36,235)
	<u>16,628</u>	<u>2,482</u>	<u>113,164</u>	<u>132,274</u>

**19 FINANCIAL INSTRUMENTS**

	2018 Group £'000	2017 Group £'000	2018 College £'000	2017 College £'000
Financial assets at fair value through Statement of Financial Activities:				
Fixed asset investments	149,014	148,954	149,014	148,954
Financial instruments that are debt instruments measured at settlement value:				
Trade debtors	354	407	285	184
Amounts owed by College members	153	145	153	145
Amounts owed by Group undertakings	-	-	514	-
Other debtors and accrued income	486	2,918	486	2,918
Financial liabilities measured at settlement value:				
Trade creditors	(783)	(829)	(242)	(369)
Amounts owed to College Members	(125)	(129)	(125)	(129)
College contribution	-	(78)	-	(78)
Other creditors	(771)	(793)	(771)	(793)
Accruals	(662)	(733)	(419)	(286)
Financial liabilities measured at amortised cost:				
Bond notes	(34,725)	(34,723)	(34,725)	(34,723)
	<u>112,941</u>	<u>115,139</u>	<u>114,170</u>	<u>115,823</u>

The fair values of the assets held at fair value through the Statement of Financial Activities are determined using valuations provided by the relevant investment managers.

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**20 TRUSTEES' REMUNERATION**

The trustees of the college comprise the Governing Body, primarily fellows who are teaching and research employees of the College and who sit on the governing body by virtue of their employment.

No trustee receives any remuneration for acting as a trustee. However, those trustees who are also employees of the college receive salaries for their work as employees. These salaries are paid on external academic and academic-related scales and often are joint arrangements with the University of Oxford.

Trustees of the college fall into the following categories:

Head of House  
 Professorial Fellow  
 Tutorial Fellow  
 Research Fellow  
 Non-Research Fellow

There are also four trustees who work on management and fundraising: the Head of House, Senior Tutor/Academic Registrar and Development Director, who all work full-time, and the Finance Bursar who is part-time.

Some trustees, particularly tutorial fellows, are eligible for college housing schemes. Fifteen trustees live in houses owned by the College. Others may be eligible for a housing allowance which is disclosed within the salary figures below. Some trustees receive additional allowances for additional work carried out as part time college officers, e.g. Tutor for Admissions. These amounts are included within the remuneration figures disclosed.

All trustees, together with other senior employees, are eligible for private health insurance as part of their package of remuneration and all trustees may eat at common table, as can all other employees who are entitled to meals whilst working.

The College has a Remuneration Committee which makes recommendations to Governing Body on pay and benefits which are outside of external scales. The Remuneration Committee consists of both external and internal members.

15 trustees (2017: 21 trustees) are not employees of the college and do not receive remuneration.

**Other transactions with trustees**

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

Additional information regarding trustees is included in the Related Party Transactions note.

**Key management remuneration**

The total remuneration paid to key management (Group and College) was £354k (2017: £422k).

Key management are considered to be the Head of House, Senior Tutor/Academic Registrar, Domestic Bursar, Development Director and Finance Bursar.

**Remuneration paid to trustees**

Range	2018		2017	
	Number of Trustees / Fellows	Gross remuneration, taxable benefits and pension contributions	Number of Trustees / Fellows	Gross remuneration, taxable benefits and pension contributions
£0	15	£ -	21	£ -
£1,000-£1,999	1	1,497	1	555
£2,000-£2,999	-	-	-	-
£3,000-£3,999	-	-	-	-
£5,000-£5,999	-	-	1	5,465
£6,000-£6,999	-	-	2	12,897
£9,000-£9,999	1	9,440	-	-
£10,000-£10,999	1	10,606	2	20,853
£11,000-£11,999	3	34,698	2	23,288
£12,000-£12,999	2	25,128	6	76,554
£13,000-£13,999	4	52,708	1	13,612
£14,000-£14,999	-	-	-	-
£15,000-£15,999	1	15,704	1	15,383
£16,000-£16,999	-	-	1	16,954
£17,000-£17,999	-	-	1	17,555
£18,000-£18,999	-	-	1	18,515
£19,000-£19,999	-	-	-	-
£20,000-£20,999	1	20,503	1	20,320

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20 TRUSTEES' REMUNERATION (continued)

Range	2018		2017	
	Number of Trustees / Fellows	Gross remuneration, taxable benefits and pension contributions	Number of Trustees / Fellows	Gross remuneration, taxable benefits and pension contributions
£21,000-£21,999	-	-	1	21,498
£22,000-£22,999	2	45,452	1	22,591
£23,000-£23,999	1	23,736	2	46,827
£24,000-£24,999	1	24,774	-	-
£25,000-£25,999	1	25,557	-	-
£26,000-£26,999	1	26,567	-	-
£28,000-£28,999	1	28,335	1	28,178
£29,000-£29,999	-	-	-	-
£30,000-£31,999	1	30,000	1	30,532
£31,000-£31,999	-	-	2	62,927
£32,000-£32,999	1	32,738	1	32,588
£33,000-£33,999	1	33,413	-	-
£36,000-£36,999	1	36,854	-	-
£38,000-£38,999	1	38,628	1	38,510
£39,000-£39,999	-	-	-	-
£40,000-£40,999	-	-	-	-
£41,000-£41,999	-	-	-	-
£42,000-£42,999	-	-	1	42,852
£43,000-£43,999	1	43,267	1	43,501
£44,000-£44,999	1	44,118	1	44,684
£45,000-£45,999	1	45,777	1	45,892
£46,000-£46,999	2	93,201	1	46,544
£47,000-£47,999	1	47,837	-	-
£48,000-£48,999	-	-	-	-
£49,000-£49,999	-	-	-	-
£50,000-£50,999	1	101,324	-	-
£51,000-£51,999	1	51,079	-	-
£52,000-£52,999	-	-	1	52,127
£54,000-£54,999	-	-	1	54,449
£55,000-£55,999	-	-	2	111,558
£56,000-£56,999	-	-	-	-
£57,000-£57,999	-	-	-	-
£58,000-£58,999	2	117,239	-	-
£59,000-£59,999	1	59,410	-	-
£60,000-£61,999	-	-	1	60,549
£65,000-£65,999	-	-	-	-
£67,000-£67,999	1	67,873	-	-
£68,000-£68,999	-	-	-	-
£69,000-£69,999	-	-	-	-
£70,000-£70,999	-	-	-	-
£73,000-£73,999	-	-	1	73,707
£76,000-£76,999	-	-	1	76,122
£77,000-£77,999	-	-	-	-
£78,000-£78,999	-	-	-	-
£81,000-£81,999	-	-	1	81,379
£82,000-£82,999	-	-	1	82,314
£83,000-£83,999	-	-	-	-
£84,000-£84,999	-	-	-	-
£85,000-£85,999	1	85,775	1	85,312
£89,000-£89,999	2	178,733	-	-
£92,000-£92,999	-	-	1	92,415
£93,000-£93,999	1	93,830	-	-
£96,000-£96,999	1	96,848	-	-
£106,000-£106,999	1	106,779	-	-
£109,000-£109,999	-	-	1	109,347
<b>Total</b>	<b>69</b>	<b>1,749,428</b>	<b>69</b>	<b>1,628,354</b>

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**21 PENSION SCHEMES**

The College participates in two principal pension schemes for its staff - the Universities Superannuation Scheme (USS) and the University of Oxford Staff Pension Scheme (OSPS). The assets of the schemes are each held in separate trustee-administered funds. USS and OSPS schemes are contributory mixed benefit schemes (i.e. they provide benefits on a defined benefit basis - based on length of service and pensionable salary and on a defined contribution basis - based on contributions into the scheme). Both are multi-employer schemes and the college is unable to identify its share of the underlying assets and liabilities relating to defined benefits of each scheme on a consistent and reasonable basis. Therefore, in accordance with the accounting standard FRS 102 paragraph 28.11, the college accounts for the schemes as if they were defined contribution schemes. As a result, the amount charged to the Statement of Financial Activities represents the contributions payable to the schemes in respect of the accounting period.

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

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

**Schemes accounted for under FRS 102 paragraph 28.11 as defined contribution schemes**

**Actuarial valuations**

Qualified actuaries periodically value the USS, OSPS schemes using the 'projected unit method', embracing a market value approach. The resulting levels of contribution take account of actuarial surpluses or deficits in each scheme. The financial assumptions were derived from market conditions prevailing at the valuation date. The results of the latest actuarial valuations and the assumptions which have the most significant effect on the results.

Assumption	USS	OSPS
Date of valuation	31 March 2014	31 March 2016
Date valuation results published	24 July 2015	28 April 2017
Value of liabilities	£46.9bn	£661m
Value of assets	£41.6bn	£528m
Funding surplus/(deficit) (see notes a and b below)	(£5.3bn)	(£133m)
<b>Principal assumptions:</b>		
Investment return (see note c below)	5.2% pa	-
Rate of interest (periods up to retirement)	-	Gilts + 1.2% pa
Rate of interest (periods after retirement)	-	Gilts + 1.2% pa
Rate of increase in salaries (see note d below)	RPI + 1%pa	RPI + 1% pa
Rate of increase in pensions	CPI pa	Average RPI/CPI pa
<b>Mortality assumptions:</b>		
Assumed life expectancy at age 65 (males)	24.2 years	22.4 years
Assumed life expectancy at age 65 (females)	26.3 years	24.7 years
<b>Funding ratios:</b>		
Technical provisions basis	89%	80%
Statutory Pension Protection Fund basis	82%	67%
Buy-out' basis	54%	42%
Estimated FRS102 Total funding level	77%	82%
Recommended employer's contribution rate (as % pf pensionable salaries) (see notes e and f below)	18%	23% decreasing to 19% from 1 August 2017
Effective date of next valuation	31 March 2017	31 March 2019

a. USS's actuarial valuation as at 31 March 2014 takes into account the revised benefit structure effective 1 April 2016 agreed both by the Joint Negotiating Committee and the Trustee in July 2015 following the Employers' consultation which concluded in June 2015. Key changes agreed include: for Final Salary section members, the benefits built up to 31 March 2016 were calculated as at that date using pensionable salary and pensionable service immediately prior to that date and going forwards will be revalued in line with increases in official pensions (currently CPI); all members accrue a pension of 1/75th and a cash lump sum of 3/75ths of salary each year of service in respect of salary up to a salary threshold, initially £55,000 p.a., with the threshold applying from 1 October 2016; member contributions are 8% of salary; a defined contribution benefit for salary above the salary threshold at the total level of 20% of salary in excess of the salary threshold; and optional additional contributions payable into the defined contribution section from 1 October 2016 of which the first 1% of salary is matched by the employer. Further details about the benefits may be reviewed on USS' website, [www.uss.co.uk](http://www.uss.co.uk). For the period up to 1 April 2016 the employer deficit contribution was 0.7% p.a. of salaries based on the assumptions made. After allowing for those changes, the actuary established a long term employer contribution rate of 18% pa of salaries for the period from 1 April 2016 to 31 March 2031. On the assumptions made and with the salary threshold and defined contribution section implemented this gives rise to deficit contributions of at least 2.1% p.a. of salaries. At 31 March 2018 USS reported that the estimated funding deficit was £8.4 bn (88% funded).

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

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

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

e. As noted above (note a) the USS employer contribution rate is 18% of salaries from 1 April 2016. 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 2017 actuarial valuation of USS has been undertaken but this has not yet been formally completed. The 2017 valuation has set out the challenges currently facing the scheme and the likelihood of significant increases in contributions being required to address these challenges. 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. However, there is a significant risk that the year-end provision 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.

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

**Sensitivity of actuarial valuation assumptions**

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

**USS scheme**

Assumption	Change in assumption	Impact on USS liabilities
Initial discount rate	increase / reduce by 0.25%	decrease / increase by £0.8bn
Discount rate in 20 years' time	increase / reduce by 0.25%	decrease / increase by £1.1bn
RPI inflation	increase / reduce by 0.1%	increase / decrease by £0.8bn
Rate of mortality	more prudent assumption (mortality used at last valuation, rated down by a further year)	increase by £0.5bn

**OSPS scheme**

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

**Deficit Recovery Plans**

In line with FRS102, the College has recognised a liability for the contributions payable for the agreed deficit funding plan. The principle assumptions used in these calculations are tabled below:

Assumption	USS	OSPS
Finish date for the deficit recovery plan	31st March 2031	30th June 2027
Average staff number increase	1%	0-3%
Average staff salary increase	2%	2%
Average discount rate over period	3%	3%
Effect of 0.5% change in discount rate	£30k	£20k
Effect of 1% change in staff growth	£61k	£154k

A provision of £1.4m has been made at 31 July 2018 (2017 - £1.5m) for the present value of the estimated future deficit funding element of the contributions payable under these agreements, using the assumptions shown. The provision reduces as the deficit is paid off according to the pension recovery scheme.

**Pension charge for the year**

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

	2018	2017
Scheme		
Universities Superannuation Scheme	528	893
University of Oxford Staff Pension Scheme	229	36
	<u>757</u>	<u>929</u>

Included in other creditors and accruals are pension contributions payable of £nil (2017: £nil).

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**22 TAXATION**

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

**23 RECONCILIATION OF NET INCOME / (EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2018	2017
	Group	Group
	£'000	£'000
<b>Net income / (expenditure) for the reporting year</b>	7,040	13,307
Adjustments for the elimination of non-operating cash flows:		
Investment income	(2,463)	(2,638)
(Gains)/losses in investments	(7,889)	(9,113)
Endowment donations	(981)	(5,110)
Depreciation	965	766
Impairment of fixed assets	107	-
(Increase) / decrease in stock	(7)	(4)
Decrease/ (increase) in debtors	3,536	236
Increase / (decrease) in creditors	(261)	480
<b>Net cash (used in) / provide by operating activities</b>	<b>47</b>	<b>(2,076)</b>

**24 ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2018	2017
	£'000	£'000
Cash at bank and in hand	4,694	1,327
Deposits and other short term investments	-	1,996
<b>Total cash and cash equivalents</b>	<b>4,694</b>	<b>3,323</b>

**25 CAPITAL COMMITMENTS**

During the year, Balliol College Developments Limited entered into a contract for the development of additional student accommodation at the Master's Field site. At the year end the capital commitment amounted to £36m.

**26 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.

Two trustees had loans outstanding from the College of £150k under the Joint Equity Housing Scheme at the year end. All loans are repayable on the departure of the trustee from College and are included in fixed asset investments. During the year one trustee repaid a loan outstanding. In addition, one trustee had a short term loan from the College for the development of a property. At the year end £23k (2017: £36k) was outstanding and is included in Amounts owed by College members. Trustee loans are subject to interest charged by the College.

Nursery facilities are made available to Fellows for a fee on the same basis as College staff.

**27 CONTINGENT LIABILITIES**

There are no contingent liabilities that require disclosure.

**28 POST BALANCE SHEET EVENTS**

There are no post balance sheet events that require disclosure.