



**Balliol College**  
Annual Report and Financial Statements  
for the year ended 31 July 2017

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 2017**

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The Members of the Governing Body present their Annual Report for the year ended 31 July 2017 under the Charities Act 2011 together with the audited 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 4 to 7.

#### **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, work on this is well advanced.

##### **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.

## **Balliol College**

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

**Year ended 31 July 2017**

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#### **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.

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 2017

#### 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		•	•	•	•	•
Dr LJ Abrams	Retired 30 September 2016					
Dr J Balakrishnan	Resigned 30 June 2016					
Dr M Ballester	Appointed 1 October 2016	•				
Dr W Barford		•	•			
Prof JC Belich			•			
Dr B Blonder						
Prof MJ Burton						
Dr DJ Butt		•		•		
Dr C Cartis		•	•			
Dr A Caulton	Appointed 1 October 2016	•				
Prof RP Choudhury						
Dr D Clifton	Resigned 30 September 2017					
Mr RH Collier					•	•
Prof C Conn						
Dr MH Conway		•				•
Dr E Elkind					•	
Prof TAO Endicott		•	•			
Prof RW Field		•				

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

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<b>Fellow</b>	<b>Date of appointment / resignation</b>	<b>Tutorial Board</b>	<b>Academic Committee</b>	<b>Academic Progress Committee</b>	<b>Executive Committee</b>	<b>Remuneration Committee</b>
Mr JA Forder		•				
Prof B Foster						
Dr J-P Ghobrial		•	•			
Prof IA Goldin						
Prof LJM Green						
Prof FC Hamdy						
Dr SK Hazareesingh		•		•		
Dr N Hilliard						
Prof P Howard	Appointed 1 October 2016					
Prof AJ Hurrell						
Dr A Kaiserman	Appointed 1 October 2016	•				
Dr AD Kelly		•				
Revd B Kinsey				•		
Prof Dame FC Kirwan		•		•		
Dr GI Lamond		•			•	
Dr EF Lombardi		•	•			
Dr DM Lucas		•				
Prof A Lukas		•		•		
Dr S Marnette		•				
Prof TF Melham		•			•	
Dr L Miguelez Caverio						
Prof CZ Minkowski		•				
Dr DE Moulton		•			•	
Dr K Murray	Resigned 30 June 2016					
Prof TH Noe		•				
Mr R Norman						

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**Balliol College**

Governing Body, Officers and Advisers

Year ended 31 July 2017

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Fellow	Date of appointment / resignation	Tutorial Board	Academic Committee	Academic Progress Committee	Executive Committee	Remuneration Committee
Prof DC O'Brien		•			•	•
Prof DM O'Hare		•	•	•		
Dr R Ovenden						
Dr S Paoli						
Dr SP Perry		•				
Dr SM Peterson						
Dr R Quarrell		•			•	
Dr AJH Reichold		•				
Ms J Roadknight	Resigned 19 June 2017				•	
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 TH Wilson	Retired 31 December 2016					
Prof S Zacchetti					•	
Prof M Zaccolo		•			•	

## **Balliol College**

**Governing Body, Officers and Advisers**

**Year ended 31 July 2017**

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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
Ms J Roadknight (resigned 19 June 2017)	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**

The Co-operative Bank Plc, 13 New Road, Oxford, OX1 1LG

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

#### **Surveyors**

Savills plc, Wytham Court, 11 West Way, Botley, Oxford, OX2 0QL

#### **College address**

Balliol College, Broad Street, Oxford, OX1 3BJ

#### **Website**

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

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## **Balliol College**

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

**Year ended 31 July 2017**

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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 2017 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

## **Balliol College**

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

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September 2010 to cultivate and support interdisciplinary research, straddling the humanities, the social 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, planning permission was obtained for 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 2016/17 year:**

The past academic year has seen Balliol gain planning permission for its biggest development since the Victorian period, at its Master's Field site, along the perimeter of Jowett Walk and St Cross Road. Advised by Bidwells, the College has since taken decisions on a construction company, working with BAM towards a negotiated tender, and engaging Maylarch for demolition and enablement works. In addition to internal communications, the Master's Field Project has a dedicated webpage for updates.

The year's other most significant piece of business saw the successful conclusion of the process to elect a Master in succession to Professor Sir Drummond Bone, who had announced he would be resigning in 2017/2018. Dame Helen Ghosh DCB, the first woman Master of Balliol and the third in its (known) history to have no prior connection with the College, will take up office in April 2018.

This milestone in gender equality happened to coincide with the year in which the number of women to have been matriculated at Balliol reached 2,000. And, while there was no woman on the team, the College could not have been more proud of the four students, two undergraduate and two graduate, who achieved another historical first - by winning the 2016/2017 University Challenge for Balliol. A slightly different line-up also won the 2017 Inter-Collegiate Quiz, though in that competition the College is on a winning streak and has now enjoyed victory no fewer than eight times.

One development that is both new and builds on past connections saw the arrival of five Norwegian graduate students, all of them recipients of an Aker Scholarship and, thanks to that programme, the first of many more.

Also a graduate initiative, but in this case led by Balliol graduates themselves, was the Festival of Ideas co-hosted by Holywell Manor and the Ditchley Foundation (whose then director is a Balliol alumnus), which brought together over 150 students from across Oxford and beyond for a day of talks and panel discussions.

Other cultural highlights include two major restoration projects, both funded by donation, of two windows in the Chapel, composed of 15th-17th century stained glass, and the so-called Fremantle murals depicting the legend of the founding of the College by John de Balliol. In the realm of modern art, a Balliol graduate was commissioned to produce a work as part of the 'Diversifying Portraiture' initiative by the University. And an Old Member had his first feature film, *England is Mine*, released to UK cinemas.

There was expert opinion from Balliol lawyers, past and present, with commentaries reaching back to AV Dicey (Balliol 1854 and Fellow in Law 1860-1882), in relation to the Brexit judgment in the High Court and the debate surrounding the *Miller v Secretary of State* case.

### **In Memoriam:**

The College lost a number of significant alumni and friends over the year, including the Nobel laureate Professor Oliver Smithies, whose name and donations sustain the College's visiting scholar programme and the Holywell Manor Festival; James Fairfax, whose gifts to the College support Fellowships in Classics and Philosophy; the Revd Toshihide Numata, who led the foundation at Oxford and Balliol of the Numata Professorship in Buddhist Studies; and academic leaders Derek Parfit, Robert Hinde, and - a recent Oliver Smithies Fellow - Elliott Horowitz.

The College held or hosted various events in memory of alumni of the more distant past. A 10th anniversary exhibition at the Historic Collections Centre commemorated the life and work of former Fellow Les Woods; a Martin West Memorial Lecture was inaugurated by Balliol and the Classics Faculty; the descendants of AL Smith gathered to celebrate the centenary of his election as Master of Balliol; and the College marked the bicentenary of the birth of Benjamin Jowett with a dinner preceded by a seminar at which students, alumni and friends joined the Master and Vice-Chancellor among other speakers on the theme of 'Keeping Higher Education Open: Access, Safe Spaces, and the International Context'. Beyond Balliol, a Blue Plaque honouring Leslie Fox, Mathematics Fellow, was unveiled in Dewsbury, and the life of Sir Seretse Khama, Balliol 1945 and the first President of Botswana, featured in a new film, 'A United Kingdom'. Closer to

## **Balliol College**

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

**Year ended 31 July 2017**

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home, the College was gratified to learn that the papers of Denis Healey had been acquired by the Bodleian.

#### **Academic appointments:**

In what may well be a first for Balliol, the academic appointments made over the course of the year were entirely gender balanced. The College's Career Development Fellowship programme, now in its second year of operation, released three more posts, in Modern Global History, Modern Languages, and Computer Science; two non-stipendiary Research Fellows were selected, in theoretical Physics and Medical Sciences; and, jointly with the History Faculty, the College filled its Tutorial Fellowship in Early Medieval History. In addition, two Oliver Smithies Fellows were invited to Balliol for 2017/18, and the relevant University Boards appointed to the Balliol-associated Winant and George Eastman Visiting Professorships.

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

As usual, Balliol people were recognised in both the Queen's New Year and Birthday Honours.

A more surprising turn of events was the election (or re-election) to Parliament of ten alumni following the snap general election in June 2017, among them Damian Green who was also appointed First Secretary of State.

There were notable achievements among Balliol women in the course of the year, most of all perhaps the appointment of Cressida Dick as the first female Commissioner of the Metropolitan Police. Lyndal Roper, former Tutor in History and now Regius Professor at Oriel College, received the Gerda Henkel Prize for her studies of the Early Modern period, and alumna Karma Nabulsi won the Inspiring Leader Award in the Guardian's University Awards 2017.

Several people connected to the College received more than one recognition of distinction: Foundation Fellow Dame Stephanie Shirley was named in the Queen's Birthday Honours list and awarded an Honorary Degree by Cambridge University; alumna Carmen Bugen was made an Orwell Prize Fellow and her Burying the Typewriter selected Book of the Week on Radio 4 Extra; Professor Paul Newman won both a Boldness in Business Award and the Institute of Measurement and Control's Sir Harold Hartley Medal, which is named after another Balliol alumnus. His spin-out company Oxbotica is successfully trialling a self-driving electric vehicle.

Academic awards came in the form of the inaugural Berggruen Prize for Honorary Fellow Charles Taylor for alumnus and Honorary Fellow Charles Taylor, the Modernist Studies Association Book Prize to alumnus and Honorary Fellow Professor Sir Christopher Ricks for his edition of TS Eliot, Kennedy Scholarships for Sam Atwell and Abubakar Abioye, and a Fulbright Scholarship for Laurence Warner.

Dominique Hogan-Doran was named Barrister of the Year in the 2016 Australian Law Awards; Dr Bilge Demirköz won a British Council Professional Achievement Award; the Chancellor of the University and former Master of Balliol Andrew Graham were appointed to new roles at the Europeaum, an association of some of the leading universities in Europe; Old Member Revd Dr Will Lamb was installed as the Vicar of the University Church; alumnus and 1950s photographer Roger Mayne had his work on show; Stuart Urban was nominated for a TV BAFTA; and last but not least alumnus Peter Smith won the World Masters Track Cycling Championship in the Men's Time Trial for 75 Plus category. Smith was however outdone by Paul Streeten, Balliol student and Fellow, Tutorial, Professorial and Honorary, who reached his 100th birthday this year.

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

Professor Martin Conway was awarded an Honorary Fellowship at Aberystwyth University, Sudhir Hazareesingh was a regular commentator in broadcasts made during the French election and subsequently on President Macron, and Professor Nick Trefethen won the 2017 George Pólya Prize for Mathematical Exposition, awarded by the Society for Industrial and Applied Mathematics. Balliol Mathematics tutor Vicky Neale was once again shortlisted for an OUSU teaching award, and this year was joined by History Lecturer Robin Whelan in the student nominations list. Achim Steiner, who had just joined the College as Director of the Oxford Martin School, was recruited to lead the UN Development Programme.

## **Balliol College**

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

**Year ended 31 July 2017**

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

As always, the range of student activity was striking. DPhil students proved especially remarkable: James Williams won the inaugural \$100,000 Nine Dots Prize for innovative thinking, with an essay in which the work of Balliol alumnus Aldous Huxley features strongly (and whose *Brave New World* James read along with other students on a Balliol Chalet reading party led by Senior Tutor Nicola Trott); Ben Pope - also a member of the winning University Challenge team - was awarded a NASA Sagan Fellowship; Mehrunisha Suleman won the Muslim News Ibn Sina Award, which recognises those who excel and promote in health issues; Matthew Ryder received the British Zeolite Association Founders' Award 2017 for 'most promising' postgraduate scientist of the year; and Olivia Thompson launched the Bodleian Student Editions series as a first fruit of her 'Digitising Correspondence' project funded by the Balliol Interdisciplinary Institute.

Supported by the Albery Theatre Fund, a group of Balliol students took a production of *Peer Gynt* to the 2017 Edinburgh Fringe; and the Balliol College Choir went on tour to Sicily. Back home, the Lady Dervorguilla seminar on women's empowerment continued its series of talks by women in academia, and Balliol medic Sophie Avery gained a place on the Royal Veterinary College's Accelerated Graduate Entry programme.

Many undergraduates excelled in Finals: of 113 students, 44 achieved Firsts, with several, also coming first in their respective University cohort. Despite this, the JCR found time, with College help, to put on a summer Ball, and - often joined by members of the MCR - junior members played a great deal of successful sport. Balliol teams came top in university league tennis, won cuppers in cross-country, mixed hockey, korfbal and (for the fourth year running) karting. Balliol football and Balliol squash made it to the (Oxford) Premier Division this year. BCBC saw considerable success, in both Torpids and Summer Eights, and the College had two women, one in the reserve boat and one in the - ultimately ill-fated - Blue boat, crewing for 72nd Women's Boat Races. Balliol students also represented the University in Blues teams for lightweight rowing, football, and chess, and two were members of the Oxford University Athletics Teams which had a decisive victory against Cambridge in the 143rd Varsity Match on 14 May 2017.

#### **Donor relations:**

In May 2017, the College gladly received a visit from Balliol trustees of the Keasbey Memorial Foundation, which has been supporting Balliol students since 1978. A Wellcome Trust-supported project to conserve and catalogue one of the College's historic collections, belonging in the 17th century to Nicholas Crouch was successfully undertaken, and a podcast about the work created by Fellow and Tutor of English Adam Smyth. The College received its - and possibly the University's - first ever bitcoin donation. And as in previous years, Old Members from all walks of life gave generously in telethons after talking to current Balliol students. Without this help, much of what members do and achieve would not be possible.

## **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 £132m (2016: £119m). This includes endowment capital of £113m and unspent restricted income funds totalling £2m. Free reserves at the year-end amounted to £2m (2016: £4m), representing retained unrestricted income reserves excluding an amount of £15m for the book value of tangible fixed assets, designated maintenance funds 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 2017 of 9% (2016: 9%). The greater part of the endowment is invested in well-diversified holdings in the capital markets; 25% is in a multi-asset class portfolio with Partners Capital, 25% is held with Oxford University Endowment Management, 18% 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. In addition 7% is held with an Absolute return manager, Ruffer Investments and 4% invested in bond funds with Schroders.

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. The project was granted planning permission during 2017 and the proceeds of the investment will be drawn down during the construction phase of the project.

### **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).

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;

## Balliol College

### Report of the Governing Body

Year ended 31 July 2017

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- 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 8<sup>th</sup> November 2017 and signed on its behalf by:

Sir Drummond Bone (The Master)

## **Balliol College**

### **Independent auditor's report to the members of Balliol College**

#### **Report on the financial statements**

**Year ended 31 July 2017**

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#### **Opinion**

We have audited the financial statements of Balliol College for the year ended 31 July 2017 which comprise 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 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 charity's affairs as at 31 July 2017 and of 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.

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

#### **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 charity 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 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.



## **Balliol College**

### **Independent auditor's report to the members of Balliol College**

#### **Report on the financial statements**

**Year ended 31 July 2017**

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

We have nothing to report in this regard.

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; 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, as set out on page 13 and 14, 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 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**

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.

**Crowe Clark Whitehill LLP**  
**Statutory Auditor**  
**Reading**

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

### **1. Scope of the financial statements**

The financial statements present the Consolidated Statement of Financial Activities (SOFA), the Consolidated and College Balance Sheets and the Consolidated Statement of Cash Flows for the College and its wholly owned subsidiary 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 2016, 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.

**6. Incoming resources from fee income, HEFCE support and other charges for services**

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

**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

A full year's depreciation is charged in year of purchase. 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.

**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 2017

		Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2017 Total £'000	2016 Total £'000
	Note					
<b>INCOME AND ENDOWMENTS FROM:</b>						
<b>Charitable activities:</b>						
Teaching, research and residential	1	5,686	-	-	5,686	5,632
<b>Other trading income</b>	3	2,016	-	-	2,016	2,130
<b>Donations and legacies</b>	2	522	1,069	5,110	6,701	3,373
<b>Investments</b>						
Investment income	4	10	-	2,628	2,638	2,107
Total return allocated to income	12	1,167	2,339	(3,506)	-	-
<b>Other income</b>		23	195	-	218	193
<b>Total income</b>		<b>9,424</b>	<b>3,603</b>	<b>4,232</b>	<b>17,259</b>	13,435
<b>EXPENDITURE ON:</b>						
<b>Charitable activities:</b>						
Teaching, research and residential		9,188	1,746	688	11,622	10,234
<b>Raising funds:</b>						
Fundraising		84	366	-	450	755
Trading expenditure		993	-	-	993	999
Investment management costs		-	-	-	-	-
<b>Total expenditure</b>		<b>10,265</b>	<b>2,112</b>	<b>688</b>	<b>13,065</b>	11,988
<b>Net (expenditure) / income before gains</b>		<b>(841)</b>	<b>1,491</b>	<b>3,544</b>	<b>4,194</b>	1,447
Net gains on investments	10	381	-	8,732	9,113	7,050
<b>Net (expenditure) / income</b>		<b>(460)</b>	<b>1,491</b>	<b>12,276</b>	<b>13,307</b>	8,497
<b>Transfers between funds</b>	16	1,240	(1,139)	(101)	-	-
<b>Net movement in funds for the year</b>		<b>780</b>	<b>352</b>	<b>12,175</b>	<b>13,307</b>	8,497
Fund balances brought forward	16	15,848	2,130	100,989	118,967	110,470
<b>Funds carried forward at 31 July</b>		<b>16,628</b>	<b>2,482</b>	<b>113,164</b>	<b>132,274</b>	118,967

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 2017**

		2017	2016	2017	2016
		Group	Group	College	College
	Note	£'000	£'000	£'000	£'000
<b>FIXED ASSETS</b>					
Tangible assets	9	15,415	11,917	15,415	11,917
Investments	10	148,954	139,722	148,954	139,722
<b>Total fixed assets</b>		<b>164,369</b>	<b>151,639</b>	<b>164,369</b>	<b>151,639</b>
<b>CURRENT ASSETS</b>					
Stocks		34	30	34	30
Debtors	13	3,474	1,687	3,247	1,409
Investments		1,996	2,494	1,996	2,494
Cash at bank and in hand		1,327	1,563	1,098	1,176
<b>Total current assets</b>		<b>6,831</b>	<b>5,774</b>	<b>6,375</b>	<b>5,109</b>
<b>LIABILITIES</b>					
Creditors: Amounts falling due within one year	14	2,691	2,040	2,582	1,713
<b>NET CURRENT ASSETS</b>		<b>4,140</b>	<b>3,734</b>	<b>3,793</b>	<b>3,396</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>168,509</b>	<b>155,373</b>	<b>168,162</b>	<b>155,035</b>
<b>CREDITORS: Amounts falling due after more than one year</b>	15	<b>34,723</b>	<b>34,720</b>	<b>34,723</b>	<b>34,720</b>
<b>NET ASSETS BEFORE PENSION LIABILITY</b>		<b>133,786</b>	<b>120,653</b>	<b>133,439</b>	<b>120,315</b>
Defined benefit pension scheme liability	21	1,512	1,686	1,512	1,686
<b>TOTAL NET ASSETS</b>		<b>132,274</b>	<b>118,967</b>	<b>131,927</b>	<b>118,629</b>
<b>FUNDS OF THE COLLEGE</b>					
Endowment funds	16	113,164	100,989	113,164	100,989
Restricted funds	16	2,482	2,130	2,482	2,130
Unrestricted funds					
Designated funds	16	16,234	13,027	16,234	13,027
General funds	16	1,906	4,507	1,559	4,169
Pension reserve	21	(1,512)	(1,686)	(1,512)	(1,686)
<b>TOTAL FUNDS</b>		<b>132,274</b>	<b>118,967</b>	<b>131,927</b>	<b>118,629</b>

The financial statements were approved and authorised for issue by the Governing Body of Balliol College on 8th November 2017

Sir Drummond Bone, 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 2017**

		2017	2016
	Note	£'000	£'000
<b>Cashflows from operating activities:</b>			
<b>Net cash used in operating activities</b>	23	<u>(2,076)</u>	<u>(1,790)</u>
<b>Cash flows from investing activities</b>			
Dividends and interest from investments		2,652	2,107
Purchase of property, plant and equipment		(4,264)	(1,504)
Proceeds from sale of investments		2,833	1,668
Purchase of investments		(4,989)	(39,158)
<b>Net cash used in investing activities</b>		<u>(3,768)</u>	<u>(36,887)</u>
<b>Cash flows from financing activities</b>			
Cash inflows from new borrowing		-	34,720
Receipt of endowment		5,110	1,728
<b>Net cash provided by financing activities</b>		<u>5,110</u>	<u>36,448</u>
<b>Change in cash and cash equivalents in the reporting year</b>		<u>(734)</u>	<u>(2,229)</u>
<b>Cash and cash equivalents at the beginning of the reporting year</b>		<u>4,057</u>	<u>6,286</u>
<b>Cash and cash equivalents at the end of the reporting year</b>	24	<u>3,323</u>	<u>4,057</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 2017**

**1 INCOME FROM CHARITABLE ACTIVITIES**

	2017 £'000	2016 £'000
<b>Teaching, Research and Residential</b>		
Unrestricted funds		
Tuition fees - UK and EU students	1,715	1,748
Tuition fees - Overseas students	903	732
Other fees	14	14
Other HEFCE support	236	230
Other academic income	94	151
College residential income	2,724	2,757
	<u>5,686</u>	<u>5,632</u>
<b>Total Teaching, Research and Residential</b>	<u>5,686</u>	<u>5,632</u>
<b>Total income from charitable activities</b>	<u>5,686</u>	<u>5,632</u>

The above analysis includes £2,899k received from the University of Oxford from publicly accountable funds under the CFF Scheme (2016: £2,678k).

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 £19k. These are not included in the fee income reported above.

**2 DONATIONS AND LEGACIES**

	2017 £'000	2016 £'000
<b>Donations and Legacies</b>		
Unrestricted funds	522	986
Restricted funds	1,069	659
Endowment funds	5,110	1,728
	<u>6,701</u>	<u>3,373</u>

**3 OTHER TRADING INCOME**

	2017 £'000	2016 £'000
Conference, catering and trading income	2,016	2,130
	<u>2,016</u>	<u>2,130</u>

**4 INVESTMENT INCOME**

	2017 £'000	2016 £'000
<i>Unrestricted funds</i>		
Other investment income	5	67
Bank interest	5	16
	<u>10</u>	<u>83</u>
<i>Restricted funds</i>		
Other investment income	-	3
Bank interest	-	1
	<u>-</u>	<u>4</u>
<i>Endowment funds</i>		
Other investment income	2,628	2,020
	<u>2,628</u>	<u>2,020</u>
<b>Total investment income</b>	<u>2,638</u>	<u>2,107</u>

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

**5 ANALYSIS OF EXPENDITURE**

	<b>2017</b>	2016
	<b>£'000</b>	£'000
<b>Charitable expenditure</b>		
Direct staff costs allocated to:		
Teaching, research and residential	4,891	4,666
Other direct costs allocated to:		
Teaching, research and residential	4,005	3,487
Support and governance costs allocated to:		
Teaching, research and residential	2,726	2,081
<b>Total charitable expenditure</b>	<b>11,622</b>	10,234
<b>Expenditure on raising funds</b>		
Direct staff costs allocated to:		
Fundraising	267	446
Trading expenditure	657	690
Other direct costs allocated to:		
Fundraising	169	270
Trading expenditure	234	264
Support and governance costs allocated to:		
Fundraising	14	39
Trading expenditure	102	45
<b>Total expenditure on raising funds</b>	<b>1,443</b>	1,754
<b>Total expenditure</b>	<b>13,065</b>	11,988

The resources expended in 2016 represented £10,206k from unrestricted funds, £1,782k from restricted funds and £nil from endowment funds.

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

The teaching and research costs include College Contribution payable of £-81k (2016 - £87k).

Foreign exchange gains of £2k (2016: £57k) are reflected in the net income/(expenditure).

6 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

	Generating Funds £'000	Teaching and Research £'000	2017 Total £'000
Financial administration	116	551	667
IT	-	158	158
Depreciation	-	766	766
Other finance charges	-	1,238	1,238
Governance costs	-	13	13
	<b>116</b>	<b>2,726</b>	<b>2,842</b>

	Generating Funds £'000	Teaching and Research £'000	2016 Total £'000
Financial administration	84	469	553
IT	-	139	139
Depreciation	-	619	619
Other finance charges	-	773	773
Governance costs	-	81	81
	<b>84</b>	<b>2,081</b>	<b>2,165</b>

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.

	2017 £'000	2016 £'000
<b>Governance costs comprise:</b>		
Auditor's remuneration - audit services	13	55
Auditor's remuneration - other services	-	23
Legal and other fees on constitutional matters	-	3
	<b>13</b>	<b>81</b>

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 2017**

**7 GRANTS AND AWARDS**

**2017**  
**£'000**

**2016**  
**£'000**

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

180 141

Bursaries and hardship awards

136 139

**Total unrestricted**

**316 280**

**Restricted funds**

Grants to individuals:

Scholarships, prizes and grants

499 346

Bursaries and hardship awards

140 123

**Total restricted**

**639 469**

**Total grants and awards**

**955 749**

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 £98k (2016: £100k) from this scheme.

**8 STAFF COSTS**

**2017**  
**£'000**

**2016**  
**£'000**

The aggregate staff costs for the year were as follows.

Salaries and wages

5,068 5,196

Social security costs

451 477

Pension costs: Defined benefit schemes

929 715

**6,448 6,388**

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

**2017**  
**Number**

**2016**  
**Number**

Tuition and research

27 22

College residential

106 100

Fundraising

7 7

Support

10 10

**Total**

**150 139**

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

**2017**  
**Number**

**2016**  
**Number**

University Lecturers

21 21

CUF Lecturers

10 9

Other teaching and research

10 12

Other

6 6

**Total**

**47 48**

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

**2 -**

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

In defined benefits schemes

**2 -**

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	674	16,197	16,871
Additions	2,666	1,598	4,264
Disposals	-	(20)	(20)
<b>At end of year</b>	<b>3,340</b>	<b>17,775</b>	<b>21,115</b>
<b>Depreciation and impairment</b>			
At start of year	-	4,954	4,954
Depreciation charge for the year	-	766	766
Depreciation on disposals	-	(20)	(20)
Impairment	-	-	-
<b>At end of year</b>	<b>-</b>	<b>5,700</b>	<b>5,700</b>
<b>Net book value</b>			
<b>At end of year</b>	<b>3,340</b>	<b>12,075</b>	<b>15,415</b>
At start of year	674	11,243	11,917

No assets are held under finance leases.

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 2017**

**10 INVESTMENTS**

All investments are held at fair value.

	2017 £'000	2016 £'000
<b>Group investments</b>		
Valuation at start of year	139,722	95,182
New money invested	4,989	39,158
Amounts withdrawn	(4,870)	(1,668)
Increase in value of investments	9,113	7,050
<b>Group investments at end of year</b>	<b>148,954</b>	<b>139,722</b>
Investment in subsidiaries	-	-
<b>College investments at end of year</b>	<b>148,954</b>	<b>139,722</b>

<b>Group investments comprise:</b>	Held outside the UK £'000	Held in the UK £'000	2017 Total £'000	Held outside the UK £'000	Held in the UK £'000	2016 Total £'000
Equity investments	25,428	683	26,111	21,957	786	22,743
Global multi-asset funds	18,329	6,905	25,234	14,918	6,345	21,263
Property funds	1,120	12,866	13,986	1,335	13,058	14,393
Fixed interest stocks	52,533	18,302	70,835	39,257	28,994	68,251
Alternative and other investments	7,479	2,002	9,481	7,436	1,955	9,391
Fixed term deposits and cash	614	2,693	3,307	699	2,982	3,681
<b>Total group investments</b>	<b>105,503</b>	<b>43,451</b>	<b>148,954</b>	<b>85,602</b>	<b>54,120</b>	<b>139,722</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 £'000	Balliol College Developments Limited £'000
Income	16,126	4,036
Expenditure	(11,942)	(3,690)
Net gains / (losses) on investments	9,113	-
<b>Result for the year</b>	<b>13,297</b>	<b>346</b>
Total assets	170,744	1,273
Total liabilities	(38,817)	(927)
<b>Net funds at the end of year</b>	<b>131,927</b>	<b>346</b>

During the year Balliol College Developments Limited charged Balliol College £2,566k (2016: £674k) for the cost for the development for the Master's Field. Balliol College charged Balliol College Developments Limited £1,215k (2016: £1,041k) 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 Developments Limited by the College was £680k (see note 14). (2016: Amount owing from Balliol College Developments Limited £110k, note 13).

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% (2016: 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.

	Permanent Endowment Trust for Investment £'000	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	-	210	210	-	210
Expendable endowment				99,317	99,317
<b>Total Endowments</b>	<b>1,462</b>	<b>210</b>	<b>1,672</b>	<b>99,317</b>	<b>100,989</b>
<b>Movements in the reporting year:</b>					
Gift of endowment funds	-	-	-	5,110	5,110
Investment return: total investment income		43	43	2,585	2,628
Investment return: realised and unrealised gains and losses		139	139	8,593	8,732
Other transfers	-	-	-	(789)	(789)
<b>Total</b>	<b>-</b>	<b>182</b>	<b>182</b>	<b>15,499</b>	<b>15,681</b>
Unapplied total return allocated to income in the reporting period		(56)	(56)	(3,450)	(3,506)
Expendable endowments transferred to income			-		-
	-	(56)	(56)	(3,450)	(3,506)
<b>Net movements in reporting year</b>	<b>-</b>	<b>126</b>	<b>126</b>	<b>12,049</b>	<b>12,175</b>
<b>At end of the reporting 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>

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

**13 DEBTORS**

	2017	2016	2017	2016
	Group	Group	College	College
	£'000	£'000	£'000	£'000
<b>Amounts falling due within one year:</b>				
Trade debtors	407	423	184	173
Amounts owed by College members	145	103	145	103
Prepayments and accrued income	2,918	1,161	2,918	1,023
Other debtors	4	-	-	-
	<b>3,474</b>	<b>1,687</b>	<b>3,247</b>	<b>1,409</b>

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

	2017	2016	2017	2016
	Group	Group	College	College
	£'000	£'000	£'000	£'000
Trade creditors	829	467	369	340
Amounts owed to College Members	129	56	129	56
Amounts owed to Group undertakings	-	-	680	-
Taxation and social security	129	181	247	204
College contribution	78	236	78	236
Accruals and deferred income	733	993	286	770
Other creditors	793	107	793	107
	<b>2,691</b>	<b>2,040</b>	<b>2,582</b>	<b>1,713</b>

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

	2017	2016	2017	2016
	Group	Group	College	College
	£'000	£'000	£'000	£'000
Bond notes	34,723	34,720	34,723	34,720
	<b>34,723</b>	<b>34,720</b>	<b>34,723</b>	<b>34,720</b>

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 2016 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2017 £'000
<b>Endowment Funds - Permanent</b>						
War Memorial Fund 1920	1,672	43	-	(56)	139	<b>1,798</b>
<b>Endowment Funds - Expendable</b>						
General Fund	34,912	1,048	-	(1,167)	2,907	<b>37,700</b>
700th Anniversary Fund	10,706	279	-	(357)	887	<b>11,515</b>
Alfred Douglas Stone Fund	683	17	-	(23)	56	<b>733</b>
Andrew Graham Fellow in Economics	1,408	37	-	(47)	116	<b>1,514</b>
Asoke Kumar Sarkar Fell in Class Indol	1,155	30	-	(38)	95	<b>1,242</b>
Classics Fellowship Fund	2,756	85	-	(92)	229	<b>2,978</b>
Dervorguilla Fund	5,027	131	-	(168)	416	<b>5,406</b>
Endowment Fund 1904	2,571	67	-	(85)	213	<b>2,766</b>
Foley-Bejar Scholarship Fund	1,905	50	-	(63)	158	<b>2,050</b>
History Fellowships Fund	3,243	87	-	(108)	269	<b>3,491</b>
James Beeland Rogers Jr Endowment Fund	893	55	-	(31)	76	<b>993</b>
James Irvine Fund	750	19	-	(24)	62	<b>807</b>
John Henry Jones Scholarship Fund	-	1,600	-	(53)	132	<b>1,679</b>
Jowett Centenary Fund	2,390	63	-	(79)	198	<b>2,572</b>
Jowett Fellowship Fund	845	22	-	(28)	70	<b>909</b>
JT Hamilton Legacy Fund	854	22	-	(28)	70	<b>918</b>
Management Studies Fellowship Fund	959	25	-	(32)	79	<b>1,031</b>
Mr Snell's Trust	773	20	-	(26)	64	<b>831</b>
Oxford Internet Institute Fund	3,655	95	-	(122)	304	<b>3,932</b>
Oxford-Rhodes-Balliol Scholarship	-	1,068	-	(35)	88	<b>1,121</b>
Lilian Margaret Gregson Fund	8	800	-	(27)	66	<b>847</b>
Roy Skinner Fund	1,063	28	-	(35)	88	<b>1,144</b>
War Memorial Appeal Fund 1947	886	23	-	(29)	73	<b>953</b>
William Westerman Fund	932	24	-	(31)	77	<b>1,002</b>
Yehan Numata Fund for Buddhist Studies	2,796	72	-	(93)	231	<b>3,006</b>
Other Fellowship funds	2,926	553	-	(199)	244	<b>3,524</b>
Other student support funds	11,119	730	-	(384)	958	<b>12,423</b>
Other purpose funds	4,102	645	(688)	(147)	367	<b>4,279</b>
<b>Total Endowment Funds - Group and College</b>	<b>100,989</b>	<b>7,738</b>	<b>(688)</b>	<b>(3,607)</b>	<b>8,732</b>	<b>113,164</b>
<b>Restricted Funds</b>						
Trust Funds restricted income	1,716	187	(1,424)	1,200	-	<b>1,679</b>
Other restricted income	367	862	(437)	-	-	<b>792</b>
Other operational funds	47	215	(251)	-	-	<b>11</b>
<b>Total Restricted Funds - Group and College</b>	<b>2,130</b>	<b>1,264</b>	<b>(2,112)</b>	<b>1,200</b>	<b>-</b>	<b>2,482</b>
<b>Unrestricted Funds</b>						
General	4,169	4,221	(6,252)	(961)	381	<b>1,558</b>
Fixed asset designated fund	11,917	-	-	3,498	-	<b>15,415</b>
Designated maintenance funds	1,110	-	(161)	(130)	-	<b>819</b>
Pension reserve	(1,686)	-	174	-	-	<b>(1,512)</b>
<b>Total Unrestricted Funds - College</b>	<b>15,510</b>	<b>4,221</b>	<b>(6,239)</b>	<b>2,407</b>	<b>381</b>	<b>16,280</b>
General	338	4,036	(4,026)	-	-	<b>348</b>
<b>Total Unrestricted Funds - Group</b>	<b>15,848</b>	<b>8,257</b>	<b>(10,265)</b>	<b>2,407</b>	<b>381</b>	<b>16,628</b>
<b>Total Funds</b>	<b>118,967</b>	<b>17,259</b>	<b>(13,065)</b>	<b>-</b>	<b>9,113</b>	<b>132,274</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.

During the year the College transferred the capital balance and unspent restricted income on the Leonard Stein Lectureship Fund to another charity. This has been shown within charitable expenditure.

**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
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**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
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
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
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
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.

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2017 Total £'000
Tangible fixed assets	15,415	-	-	15,415
Other investments	33,308	2,482	113,164	148,954
Net current assets	4,140	-	-	4,140
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>

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2016 Total £'000
Tangible fixed assets	11,917	-	-	11,917
Other investments	36,603	2,130	100,989	139,722
Net current assets	3,734	-	-	3,734
Long term liabilities and pension liability	(36,406)	-	-	(36,406)
	<u>15,848</u>	<u>2,130</u>	<u>100,989</u>	<u>118,967</u>

19 FINANCIAL INSTRUMENTS

	2017 Group £'000	2016 Group £'000	2017 College £'000	2016 College £'000
Financial assets at fair value through Statement of Financial Activities:				
Fixed asset investments	148,954	139,722	148,954	139,722
Financial instruments that are debt instruments measured at settlement value:				
Trade debtors	407	423	184	173
Amounts owed by College members	145	103	145	103
Amounts owed by Group undertakings	-	-	-	110
Other debtors and accrued income	2,918	1,096	2,918	702
Financial liabilities measured at settlement value:				
Trade creditors	(829)	(467)	(369)	(340)
Amounts owed to College Members	(129)	(56)	(129)	(56)
College contribution	(78)	(236)	(78)	(236)
Other creditors	(793)	(107)	(793)	(107)
Accruals	(733)	(993)	(286)	(770)
Financial liabilities measured at amortised cost:				
Bond notes	(34,723)	(34,720)	(34,723)	(34,720)
	<u>115,139</u>	<u>104,765</u>	<u>115,823</u>	<u>104,581</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.

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  
Supernumerary Fellow

There are also five trustees who work on management and fundraising: the Head of House, Senior Tutor/Academic Registrar, Domestic Bursar 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.

21 trustees (2016: 21 trustees) are not employees of the college and do not receive remuneration.

**Other transactions with trustees**

Fellows also receive reimbursement of personal expenses necessarily incurred in connection with their services to the College as Trustees. During the year a total of £110 (2016 - £71) was reimbursed to three (2016 - one) of the Trustees for travel expenses.

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 £422k (2016: £414k).

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

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Remuneration paid to trustees

Range	2017		2016	
	Number of	Gross remuneration, taxable	Number of	Gross remuneration, taxable
		£		£
£1,000-£1,999	1	555	2	2,095
£2,000-£2,999	-	-	1	2,092
£3,000-£3,999	-	-	1	3,393
£5,000-£5,999	1	5,465	-	-
£6,000-£6,999	2	12,897	2	12,751
£9,000-£9,999	-	-	-	-
£10,000-£10,999	2	20,853	1	10,121
£11,000-£11,999	2	23,288	2	23,233
£12,000-£12,999	6	76,554	5	62,654
£13,000-£13,999	1	13,612	-	-
£14,000-£14,999	-	-	1	14,160
£15,000-£15,999	1	15,383	1	15,864
£16,000-£16,999	1	16,954	1	16,497
£17,000-£17,999	1	17,555	3	52,789
£18,000-£18,999	1	18,515	4	74,367
£19,000-£19,999	-	-	1	19,957
£20,000-£20,999	1	20,320	-	-
£21,000-£21,999	1	21,498	-	-
£22,000-£22,999	1	22,591	1	22,636
£23,000-£23,999	2	46,827	-	-
£26,000-£26,999	-	-	-	-
£28,000-£28,999	1	28,178	1	28,778
£29,000-£29,999	-	-	1	29,939
£30,000-£31,999	1	30,532	-	-
£31,000-£31,999	2	62,927	1	31,870
£32,000-£32,999	1	32,588	-	-
£33,000-£33,999	-	-	1	33,332
£36,000-£36,999	-	-	-	-
£38,000-£38,999	1	38,510	-	-
£39,000-£39,999	-	-	-	-
£40,000-£40,999	-	-	-	-
£41,000-£41,999	-	-	3	124,444
£42,000-£42,999	1	42,852	2	85,533
£43,000-£43,999	1	43,501	-	-
£44,000-£44,999	1	44,684	1	44,318
£45,000-£45,999	1	45,892	-	-
£46,000-£47,999	1	46,544	-	-
£48,000-£48,999	-	-	1	48,918
£49,000-£49,999	-	-	-	-
£50,000-£50,999	-	-	1	50,008
£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	-	-	1	56,367
£57,000-£57,999	-	-	2	114,633
£58,000-£58,999	-	-	-	-
£60,000-£61,999	1	60,549	-	-
£65,000-£65,999	-	-	-	-
£68,000-£68,999	-	-	1	68,464
£69,000-£69,999	-	-	1	69,460
£70,000-£70,999	-	-	-	-
£73,000-£73,999	1	73,707	1	73,616
£76,000-£76,999	1	76,122	-	-
£77,000-£77,999	-	-	-	-
£78,000-£78,999	-	-	1	78,603
£81,000-£81,999	1	81,379	-	-
£82,000-£82,999	1	82,314	-	-
£83,000-£83,999	-	-	-	-
£84,000-£84,999	-	-	1	84,259
£85,000-£85,999	1	85,312	-	-
£87,000-£87,999	-	-	1	87,809
£92,000-£92,999	1	92,415	-	-
£106,000-£106,999	-	-	1	106,568
£109,000-£109,999	1	109,347	-	-
Total	47	1,628,354	48	1,549,528

21
PENSION SCHEMES

The College participates in the Universities Superannuation Scheme ("USS") and the University of Oxford Staff Pension Scheme ("OSPS") on behalf its staff. Both schemes are contributory defined benefit schemes (i.e. they provide benefits based on length of service and pensionable salary) and until April 2016 were contracted out from the State Second Pension Scheme. The assets of USS and OPS are each held in separate trustee-administered funds.

Both schemes are multi-employer schemes and the College is unable to identify its share of the underlying assets and liabilities of each scheme on a consistent and reasonable basis. Therefore, as required by FRS 102 the College accounts for the schemes as if they were defined contribution schemes.

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

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

**Actuarial valuations**

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

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 changes may be reviewed on USS’ website, [www.uss.co.uk](http://www.uss.co.uk). For the period up to 1 April 2016 the employer deficit contribution was 0.7% p.a. of salaries based on the assumptions made. After allowing for those changes, the actuary established a long term employer contribution rate of 18% pa of salaries for the period from 1 April 2016 to 31 March 2031. On the assumptions made and with the salary threshold and defined contribution section implemented this gives rise to deficit contributions of at least 2.1% p.a of salaries. At 31 March 2016 USS reported that the funding deficit was £10.0 bn (83% funded). The valuation as at 31 March 2017 is underway.
- b. OPS’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.

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

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:		
	2017	2016
Scheme		
Universities Superannuation Scheme	893	410
University of Oxford Staff Pension Scheme	36	305
	<u>929</u>	<u>715</u>

Included in other creditors and accruals are pension contributions payable of £nil (2016: £nil).

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

	2017 Group £'000	2016 Group £'000
Net income / (expenditure) for the reporting year	13,307	8,497
Adjustments for the elimination of non-operating cash flows:		
Investment income	(2,638)	(2,107)
(Gains)/losses in investments	(9,113)	(7,050)
Endowment donations	(5,110)	(1,728)
Depreciation	766	619
(Increase) / decrease in stock	(4)	1
Decrease/ (increase) in debtors	236	(713)
Increase / (iecrease) in creditors	480	691
Net cash (used in) / provide by operating activities	<u>(2,076)</u>	<u>(1,790)</u>

24 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £'000	2016 £'000
Cash at bank and in hand	1,327	1,563
Deposits and other short term investments	1,996	2,494
Total cash and cash equivalents	<u>3,323</u>	<u>4,057</u>

25 CAPITAL COMMITMENTS

There are no capital commitments that require disclosure.

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.

Four trustees had loans outstanding from the College of £150k each under the Joint Equity Housing Scheme at 31 July 2016. During the year one of these loans was repaid. These loans are repayable on the departure of the trustee from the College and are secured on the property. These loans are included in investments (note 10). In addition one trustee had a short term loan from the College of £36k at the year end in respect of the development of a property (2016: £50k) and is included in 'Amounts owed by College members' (note 13).

Trustees loans are subject to interest charged by the College.

Nursery facilities are made available to fellow 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.