



## **BRASENOSE COLLEGE**

### **STATEMENT OF ACCOUNTS**

For the year ended 31 July 2006

**The accounts' index (if any), Responsibilities of the Governing Body, Statement of Principal Accounting Policies and Independent Auditors' Report have been omitted from this 150 dpi Akme scan.**

## Report of the Governing Body

The Governing Body of Brasenose College presents the annual report and financial statements for the year ended 31 July 2006.

### Status

Brasenose College is an eleemosynary chartered charitable corporation aggregate. It was founded by William Smyth, Bishop of Lincoln, and Sir Richard Sutton, Knight, under a Charter of King Henry the Eighth, dated the 15th of January in the third year of his reign. The corporation comprises the Principal and Fellows. The College is an exempt charity under s3(5a) Charities Act 1993 (as listed in Schedule 2(b) to that Act).

### Objects

The College exists to provide and promote undergraduate and graduate education within the University of Oxford, and also to support University academic research. Within these Objects, the College also has various permanently endowed trust funds held for their special purposes in connection with the development of College facilities and for scholarships, bursaries, prizes and other educational purposes.

### Governance

The Governing Body of the College comprises the Principal and Fellows. This 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 Royal Charter of 1512, and 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 Principal and is advised by a range of committees which include the Finance Committee.

### Scope of financial statements

The financial statements consolidate the accounts of Brasenose College and its subsidiary, Brasenose Utilities Limited. Brasenose Utilities Limited is the wholly-owned vehicle for trading activities of Brasenose College.

### Review of operations and finance

The College recorded a surplus of £709,422 (2005 £361,626) on the consolidated income and expenditure account. This surplus includes non-endowment donations of £320,614 for both restricted and unrestricted use.

The College receives three main sources of income: Academic Fees and Tuition Income amounted to £1,883,059 (2005 £1,747,924); Other Operating Income, which includes student accommodation, food and conference income amounted to £2,378,332 (2005 £1,988,963) and Endowment Income and Other Interest Receivable amounted to £2,870,831 (2005 £2,347,960).

The significant increase in student accommodation represents the third year in a phased increase as recommended by the Governing Body and agreed with the student body.

Staff Costs amounted to £3,088,453 (2005 £2,818,146), an increase due to the first full year of operation of the Development Office, payrises and the increased premiums for one of the staff pension schemes.

Other Operating Expenditure amounted to £2,736,921 (2005 £2,331,070) with increased costs explained by the first full year of operation of the Development Office, energy costs and general maintenance. Certain of endowment investment management charges, previously netted off against income are now included within Operating Expenses.

Expenditure was incurred throughout the year as part of the ongoing programme of maintenance and refurbishment.

The College has recognised the need to maintain the college buildings, and an annual expenditure of 1% of the insured value of the buildings has been deemed appropriate. This expenditure may take the form of capital or revenue expenditure.

Shortly after the end of the period reported in these accounts, the College made a purchase of freehold land at Hollybush Row at a cost of £1,283,000, with the intention of developing this land as student accommodation.

#### **Investment performance**

During the year the College restructured its Endowment investments, and has consolidated these funds under two Investment Managers. The College also has an in-house investment portfolio consisting of a number of funds. The performance of these funds show an improvement during the year, and the new arrangements will result in a significant saving in management fees.

#### **Reserves**

The balance on Reserves at the year end amounted to £16,702,238 (note 19). After allowing for the amounts invested in fixed assets and designated reserves for special purposes, the College general reserve was £3,641,909 before any transfers to other designated reserves.

The Governing Body has reviewed the reserves of the College and has concluded that they are sufficient for the current need of the College.

#### **Risk Management**

The major risks to which the College is exposed, as identified by the Governing Body, have been reviewed and systems have been established to mitigate these risks.

Approved by the Governing Body on

Prof. R. Cashmore - Principal

**BRASENOSE COLLEGE**  
**Consolidated Income and Expenditure Account**  
Year ended 31 July 2006

|  | Notes | 2006<br>£        | 2005<br>£        |
|--|-------|------------------|------------------|
| <b>INCOME</b>  |       |                  |                  |
| Academic fees and tuition income   | 1     | 1,883,059        | 1,747,924        |
| Research grants and contracts  | 2     | 0                | 36,187           |
| Other operating income   | 3     | 2,378,332        | 1,988,963        |
| Endowment return and interest receivable   | 4     | 2,870,831        | 2,347,960        |
| <b>Total income</b>  |       | <b>7,132,221</b> | <b>6,121,034</b> |
| <b>EXPENDITURE</b>   |       |                  |                  |
| Staff costs  | 5     | 3,088,453        | 2,818,146        |
| Depreciation   |       | 416,053          | 409,630          |
| Other operating expenses   |       | 2,736,921        | 2,331,070        |
| Interest payable   |       | 29,088           | 29,488           |
| Contribution under Statute XV  |       | 152,284          | 171,074          |
| <b>Total expenditure</b>   | 7     | <b>6,422,799</b> | <b>5,759,408</b> |
| Surplus for the year on continuing operations before taxation and disposal of fixed assets |       | 709,422          | 361,626          |
| Surplus (deficit) on disposal of fixed assets  |       | 0                | 0                |
| Taxation   | 8     | 0                | 0                |
| <b>Surplus for the year after taxation</b>   | 9     | <b>709,422</b>   | <b>361,626</b>   |

**Consolidated statement of total recognised gains and losses**  
Year ended 31 July 2006

|  | Notes | 2006<br>£         | 2005<br>£         |
|--|-------|-------------------|-------------------|
| <b>Reserves</b>  |       |                   |                   |
| Surplus for the year   | 19    | 709,422           | 361,626           |
| <b>Endowments</b>  |       |                   |                   |
| Income receivable from endowment asset investment            | 18    | 2,731,660         | 2,259,585         |
| Endowment return transferred to income & expenditure account | 18    | (2,558,757)       | (2,252,453)       |
| Appreciation (depreciation) of endowment asset investments   | 18    | 6,801,495         | 11,009,772        |
| New endowments received                                      | 18    | 71,818            | 315,000           |
| <b>Other</b>   |       |                   |                   |
| Net additions to deferred capital                            | 17    | (7,000)           | 343,000           |
| <b>Total recognised gains relating to the year</b>           |       | <b>7,748,639</b>  | <b>12,036,530</b> |
| Opening fund balances  |       | 89,982,570        | 77,946,040        |
| <b>Closing fund balances</b>                                 |       | <b>97,731,209</b> | <b>89,982,570</b> |