



Nuffield College Oxford

Annual Report and Financial Statements

Year ended 31 July 2016

Registered Charity Number 1137506

www.nuffield.ox.ac.uk

Nuffield College
Annual Report and Financial Statements
Contents

INDEX	PAGE
Governing Body, Officers and Advisers	2 - 4
Report of the Governing Body	5 - 12
Auditor's Report	13
Statement of Accounting Policies	14- 18
Statement of Financial Activities	19
College Balance Sheet	20
Consolidated Statement of Cash Flows	21
Notes to the Financial Statements	22 – 37

Nuffield College
Governing Body, Officers and Advisers
Year ended 31 July 2016

MEMBERS OF THE GOVERNING BODY

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

	Elected/Resigned/Retired	(1)	(2)	(3)	(4)	(5)
Warden						
Sir A W Dilnot		•	•	•	•	
Official Fellows						
N D de Graaf						
R Duch			•	•		
G Evans				•		
D Gambetta	On unpaid leave of absence for the entire year					
I Jewitt			•			
J O Jonsson						
M A Meyer		•				
D L Miller	Retired 30/09/2016					
Professorial Fellows						
B Ansell						•
N Bermeo						
F Billari						
R Breen						
S Broadberry	Elected 01/09/2015					
M Browning						
E Bukodi						
I Crawford						
J G Darwin					•	
A Eggers						
M Ellison						
R M Fitzpatrick				•		
E Gonzalez Ocantos				•		
M P Keane						
D S King		•				
D Kirk	Elected 15/08/2015					

Nuffield College
Governing Body, Officers and Advisers
Year ended 31 July 2016

	Elected/Resigned/Retired	(1)	(2)	(3)	(4)	(5)
P Klemperer						•
C Mills					•	
M Mills				•		
C W S Monden		•				
B Nielsen						
K W S Roberts			•	•		
Bo Rothstein	Elected 11/01/16					
D Rueda	On leave of absence for the entire year					
G Sasse	On leave of absence for the entire year					
D J Snidal						
C Wilson	Retired 30/09/16					•
P Young	Stepped down as a trustee on 30/09/15		•			
Supernumerary Fellows						
G F Hughes	Stepped down as a trustee on 25/01/16	•	•			
E Kechagia-Ovseiko		•		•		•
T Moore	Elected 2/10/15	•	•	•		•
Research Fellows						
S Bond		•	•			
Sir D Hendry			•		•	
L A Whitehead	Stepped down as a trustee on 1/10/15		•		•	

During the year the main activities of the Governing Body were carried out through five committees. The current membership of these committees is shown above for each Fellow.

- (1)** Strategy and Resources Committee
- (2)** Investment Committee
- (3)** Personnel & Domestic Committee
- (4)** Library Committee
- (5)** Information Systems Committee

Two additional committees, chaired by external non-trustees, advise the Governing Body. These are the Audit Committee and the Fellows' Remuneration Review Committee.

Nuffield College

Governing Body, Officers and Advisers

Year ended 31 July 2016

COLLEGE SENIOR STAFF

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

Andrew Dilnot	<i>Warden</i>
Eleni Kechagia-Ovseiko	<i>Senior Tutor</i>
Gwilym Hughes	<i>Head of the Endowment Office</i>
Tom Moore	<i>Bursar</i>
Yanislava Moyse	<i>College Accountant</i>

COLLEGE ADVISERS

Investment managers

OLIM Ltd, 15 Berkeley Street, London W1J 8DY
Majedie Asset Management, 10 Old Bailey, London EC4M 7NG

Investment property managers

Savills Plc, 33 Margaret Street, London W1G 0JD
meterhoch2! Hausverwaltungen. GmbH, Schwarzbacher Str. 3, 10711 Berlin, Germany

Auditor

Critchleys LLP, Greyfriars Court, Paradise Square, Oxford OX1 1BE

Bankers

Royal Bank of Scotland Group Plc, 36 St Andrew Square, Edinburgh EH2 2YB
J P Morgan, 1 Knightsbridge, London SW1X 7LX.

Solicitors

Knights Professional Services Limited, Midland House, West Way, Botley, Oxford OX2 0PH
Brookstreet des Roches LLP, 25A Western Avenue, Milton Park, Abingdon OX14 4SH
Roever Broenner Susat Mazars GmbH & Co. KG, Alt-Moabit 2, 10557 Berlin, Germany

Surveyors

Savills Plc, 33 Margaret Street, London W1G 0JD
Adkin, Orpwood House, School Road, Ardington, Wantage, Oxfordshire, OX12 8PQ

College address

New Road
Oxford OX1 1NF

Registered Charity Number

1137506

Website

www.nuffield.ox.ac.uk

Nuffield College
Report of the Governing Body
Year ended 31 July 2016

The Members of the Governing Body present their Annual Report for the year ended 31 July 2016 under the Charities Act 2011, together with the audited financial statements for the year.

REFERENCE AND ADMINISTRATIVE INFORMATION

The Warden and Fellows of Nuffield College in the University of Oxford, which is known as Nuffield College, (“the College”) is an eleemosynary chartered charitable corporation aggregate. It was founded by Viscount Nuffield under a Deed of Covenant and Trust dated 16 November 1937 and was granted the Royal Charter of Queen Elizabeth the Second on 18 April 1958. The corporation comprises the Warden and Fellows.

The names of all Members of the Governing Body at the date of this report and of those in office during the year, together with details of the senior staff and advisers of the College, are given on pages 2 to 4.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

The College is governed by its Charter and Statutes dated 18 April 1958.

Governing Body

The Governing Body is constituted and regulated in accordance with the College Statutes, the terms of which are enforceable ultimately by the Visitor, who is the Master of the Rolls. The Governing Body is self-appointing, by election.

New members of the Governing Body are elected on the basis of academic distinction, or their ability to serve the College in other ways.

The Governing Body determines the ongoing strategic direction of the College and regulates its administration and the management of its finances and assets. It meets regularly under the chairmanship of the Warden.

Recruitment and training of Members of the Governing Body

New Members of the Governing Body are recruited by election and inducted into the workings of the College, including Governing Body policy and procedures.

Members of the Governing Body are made aware of Charity Commission guidance to trustees and may attend external trustee training and information courses to keep them informed on current issues in the sector and on regulatory requirements.

Remuneration of Members of the Governing Body and Senior College Staff

Members of the Governing Body, who are primarily Fellows engaged in teaching and research, receive no remuneration or benefits from their trusteeship of the College. Those trustees who are also employees of the College receive remuneration for their work as employees of the College which is set in accordance with the advice of the College’s Fellows’ Remuneration Review Committee (FRRC). Where possible, remuneration is set in line with that awarded to the University’s academic staff. FRRC consists of a Chair plus three members, normally including at least two current Visiting Fellows; none of the Committee’s members are in receipt of remuneration from the College. The Committee provides independent scrutiny of proposals concerning any changes to pay or conditions that would benefit Fellows, by testing them against three key principles: legitimacy, affordability, and reasonableness.

Nuffield College
Report of the Governing Body
Year ended 31 July 2016

Organisational management

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

- The Strategy and Resources Committee. Academic policies and the utilisation of College resources and functional assets.
- The Investment Committee. Supervision of the College investments and income policies.
- The Personnel and Domestic Committee. Personnel and health & safety policies. Domestic arrangements including catering and maintenance.
- The Library Committee. Supervision of the College Library.
- The Information Systems Committee. Information systems policies and maintenance. Provision of IT equipment and support.

The day-to-day running of the College is delegated to the senior staff listed on page 4 (*viz.*, the Warden, Senior Tutor, Head of the Endowment Office, Bursar, and College Accountant), and is supported by heads of the College's administrative departments. The Governing Body is chaired by the Warden, who also chairs the College's Investment Committee, Strategy and Resources Committee, and Personnel and Domestic Committee. The Library Committee is chaired by a Library Fellow (drawn from amongst the College's Governing Body) and the Information Systems Committee is chaired by the Information Systems Fellow (*ditto*); both the Library Fellow and the Information Systems Fellow have some responsibility for overseeing the relevant areas of the College's activities.

In addition, there are two committees that assist the College to control risks related to governance and conflicts of interest: a Fellows' Remuneration Review Committee (as described above) and an Audit Committee, which has an external (not a trustee or employee) chair and two further external members, and which advises Governing Body on the effectiveness of the financial and other internal control systems of the College.

Group structure and relationships

The College also has one wholly owned non-charitable subsidiary: Nuffield Properties Ltd, which was dormant throughout the relevant period and also the previous period.

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.

OBJECTIVES AND ACTIVITIES

Charitable Objects and Aims

The College's Objects are to advance postgraduate education and research in the social sciences. 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 undertake world-class research and to facilitate the study of social science problems by co-operation between academic and non-academic persons;
- to disseminate the results of this research and contribute to public policy making;
- to recruit and admit postgraduate students in the social sciences, and present them for matriculation in the University of Oxford (election is open to all and is subject only to academic merit);
- to supervise students who are studying for postgraduate degrees and prepare them for careers, in the academic world or beyond; and
- to contribute to the cultural, social, and economic life of the city of Oxford.

Nuffield College
Report of the Governing Body
Year ended 31 July 2016

To achieve these aims, the College will:

- collaborate with the University of Oxford to attract, recruit, and retain world-leading academic staff and postgraduate students;
- establish, in particular through its scheme of Visiting Fellowships, strong on-going relationships with figures in the public and private sectors;
- employ rigorous admissions procedures to select the best graduate students in the social sciences, providing innovative funding packages to ensure that admission is based on academic merit alone, regardless of financial means; and
- work closely and creatively with, *inter alia*, the University of Oxford and local government to identify and develop opportunities to contribute to the life of the city of Oxford.

The College will use the following criteria to measure the success of these strategies:

- the volume and quality of research published by academic members of the College (as assessed, *inter alia*, through exercises such as the Research Excellence Framework);
- the impact of this research outside of academia, and in particular on public policy;
- other indicators of academic esteem (including, for example, prizes awarded and research grants won);
- acceptance rates for the admission of graduate students, and their academic results; and
- student placement records (in respect of both academic and non-academic careers).

Activities and objectives of the College

The College's activities are focused on furthering its stated objects and aims for the public benefit.

In 2015/16, the College:

- elected two new Governing Body Fellows (one Professorial Fellow and one Supernumerary Fellow); 16 new Research Fellows; one Senior Research Fellow; and six non-academic persons to Visiting Fellowships;
- admitted 13 students to study for postgraduate taught courses in the Social Sciences, 19 postgraduate research students, and 12 visiting students;
- hosted more than 50 academic conferences or workshops; and
- acquired, in conjunction with Oxford City Council, the Oxpens site in the West End of Oxford, and established (with the City) a Joint Venture Company to oversee the redevelopment of that land.

Policy on and provision of bursary support

The College only admits graduate students. It awards scholarships to cover or partially cover fees and maintenance costs. In 2015/16, College funds provided £475k towards such costs.

ACHIEVEMENTS AND PERFORMANCE

Some highlights of 2015/16 are set out below. A full record of the College's academic activities for the year can be found in the Annual Report.

Bo Rothstein was elected to a Professorial Fellowship in January 2016, in conjunction with his Professorship of Government and Public Policy at the Blavatnik School of Government. Professor Rothstein is a member of the Royal Swedish Academy of Sciences, and his election represents the College's first joint appointment with the Blavatnik School. Two serving MPs and two Permanent Secretaries were elected to Visiting Fellowships, along with a journalist and a businessman.

Nuffield College

Report of the Governing Body

Year ended 31 July 2016

Two Nuffield Fellows – Stephen Broadberry, Professor of Economic History, and Duncan Snidal, Professor of International Relations – were elected as Fellows of the British Academy, and two others – Tony Atkinson, Honorary Fellow, and John Goldthorpe, Emeritus Fellow – were awarded Honorary Fellowships of the Royal Statistical Society. Desmond King, Professorial Fellow, was elected as a Member of the Academia Europaea. Two other Professorial Fellows received major grants from the European Research Council – Francesco Billari won an Advanced Investigator Grant for a project on Discontinuities in Household and Family Formation, and Christiaan Monden received a Consolidator Grant to look at how family size matters for the (re)production of social inequalities – and Laura Langner, Research Fellow and former DPhil student, was awarded a Future Research Leaders Grant from the Economic and Social Research Council to fund a longitudinal study of what makes dual career couples successful.

In respect of public policy, Ray Duch, Professorial Fellow, is a member of the UK Cabinet Office's Cross-Government Trial Advice Panel, advising the UK government on the design of experiments for policy evaluation. Gwen Sasse, also a Professorial Fellow and a non-resident associate at Carnegie Europe, wrote a policy paper on the neglected aspects in Ukraine's constitutional reform process, and Bo Rothstein presented a policy report for the Swedish Government Expert Group for Aid and Development Studies. At the end of June 2016, the College, in association with the UK Information Office of the European Parliament, organised a seminar exploring the outcome and consequences of Britain's vote in the EU referendum, which was broadcast on BBC Parliament. The College's Centre for Social Investigation and Gwilym Gibbon Unit for Public Policy have published a large number of policy papers during the course of the year.

In respect of student admissions, the College received and reviewed 178 applications from prospective students and made 62 offers. 32 students started their course in September 2015: 10 students in Economics (6 DPhil students and 4 MPhil), 12 in Politics (4 DPhil students and 8 on Master's courses), 8 in Sociology (7 DPhil students and one on the MSc course), and 2 in interdisciplinary subjects (History and Public Policy). 20 students in taught masters courses took exams at the end of the academic year, and 7 of them achieved distinctions. 13 students completed their doctoral thesis during 2015/16. Overall there were 99 students enrolled for either masters or research degrees in the last academic year, of which 67 were fee paying. The College continued to make progress towards its aspiration of guaranteeing funding for all students admitted. To test the feasibility of needs blind admission, in 2015/16 the College designed a pilot scheme whereby it will underwrite funding for all students who have been admitted to Sociology and Economics courses beginning in October 2016. The pilot will be rolled out to Politics courses for students admitted by the College for the academic year beginning 2017/18. It is hoped that the pilot scheme will provide an assessment of the estimated cost and the administrative implications of a needs blind admissions system, thus informing the College's future student funding plans and its fundraising efforts.

Seven of the College's DPhil students who graduated in 2015/16 have subsequently been appointed to postdoctoral research positions or research fellowships, and ten of the College's postdoctoral research fellows who left the College in 2015/16 were appointed to lecturerships or assistant professorships in the UK or abroad.

In April 2015, with the appointment of a Director of Development, the College established its first Development Office. In the first instance, the activities of that office have been focussed on renewing relationships with Nuffield alumni and initiating fundraising campaigns focussed on supporting the scheme to underwrite scholarship funding mentioned above.

Finally, the College has been collaborating closely with the University of Oxford with the aim of establishing a Social Sciences Quarter in the West End of the City. The long leasehold interest in two key Oxford city centre sites, known as the Island and Jam Factory sites, jointly 2.5 acres, was acquired from Christ Church in July 2015. Six months later, Nuffield College bought the freehold of nearly 8 acres of land in Oxpens from London and Continental Railways (formerly British Rail residuary land holdings) through a Joint Venture (JV) with Oxford City Council. The JV is known as Oxford West End Development Limited (OxWED) with Nuffield College and Oxford City Council each having equal ownership and decision making authority. The City Council is also committed to transfer a further 8 acres of land, including the Oxpens water meadow, into the JV by the end of 2018.

Nuffield College
Report of the Governing Body
Year ended 31 July 2016

FINANCIAL REVIEW

Income

The College's income rose by 15% to £10,584k in 2015/16. Investment income continued to be the largest source of income to the College and increased by 20% to £8,560k.

Income from charitable activities of £1,657k was 20% higher, comprising student fee income of 191k, which was 3% lower than the previous year, other HEFCE support of £164k, other academic and research income of £643k, which was 71% higher, and college residential income of £659, which increased by 2%.

Income from donations amounted to £367k (2015: £726) and was comprised mainly of endowment donations to the Graduate Scholarship funds.

Expenditure

The College's total expenditure of £9,744k was 9% higher than the previous year.

Expenditure on charitable activities increased by 2% to £7,907k.

The cost of generating funds grew by 47% to £1,837k, which was mainly due to the increase in investment management costs by 51% to £1,674k related to interest payable on the additional RBS loan. Fundraising costs of £163k were 17% higher than the previous year, reflecting the increased activity of the newly formed Development Office.

Result for the year

The College's total consolidated funds increased by £15,614k in the year to £208,693k as at 31 July 2016. The increase is mostly attributable to investment gains.

Reserves policy

The College's reserves policy is to maintain sufficient free reserves to meet short-term financial obligations in the event of an unexpected revenue shortfall.

The College's general unrestricted funds at the year end amounted to £1,632k (2015: £3,960k restated), excluding an amount of £11,289k (2015: £9,018k) for the book value of fixed assets. In accordance with FRS 102, a pension reserve of £1,080k is included within unrestricted funds representing the defined benefit pension scheme liability.

Designated reserves at the year end comprised £1,397k (2015: £803k), which included £71k (2015: £82k) for specific research projects to be spent within ten years of the initial award and an academic fund of £1,326k (2015: £727k), set up in March 2014, for the purpose of advancing postgraduate education and research.

Risk management

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, and each key Committee maintains its own Risk Register. Financial risks are assessed by the Strategy and Resources and Audit Committees, and investment risks are monitored by the Investment Committee. In addition, the Bursar and heads of the College departments meet regularly to review health and safety issues. Training courses and other forms of career development are promoted to members of staff to enhance their skills in risk-related areas.

Nuffield College
Report of the Governing Body
Year ended 31 July 2016

Governance & Compliance

<i>Risk</i>	<i>Managing strategies</i>
Lack of strategy / skills	Strategy and Resources Committee; budget-setting and quarterly forecasting; recruitment and induction processes.
Conflict of interest / non-charitable activities	FRRC; Col policy; recruitment and induction processes.
Regulatory reporting requirements	Allocate roles and responsibilities; training and induction; regular departmental reviews.

Academic

<i>Risk</i>	<i>Managing strategies</i>
Failure to recruit and retain world class academic staff	Strategic planning; competitive salaries and benefits; appointment procedures; collaboration with University.
Failure to attract and admit top quality graduate students	Admissions planning and processes; scholarships; quality of student experience; collaboration with University; low overall intake.

Financial

<i>Risk</i>	<i>Managing strategies</i>
Fraud; budgetary control	Audit Committee; internal controls; segregation of duties; regular reporting.
Investment policy	Investment Committee; regular reporting; diversification of holdings; external fund managers.

Operational

<i>Risk</i>	<i>Managing strategies</i>
Loss of key staff	Systems, policies, and processes; succession planning; regular departmental reviews.
Information security; data loss	Information Systems Committee; back-up arrangements; regular reviews; collaboration with University; business continuity planning.
Health and safety; employment issues	Recruitment, induction, and training; management processes; monitoring and reporting; external controls.

Investment policy, objectives and performance

The College's investment objectives are to balance current and future beneficiary needs by:

- maintaining (at least) the value of the investments in real terms;
- producing a consistent and sustainable amount to support expenditure; and
- delivering these objectives within acceptable levels of risk.

To meet these objectives the College's investments as a whole are managed on a total return basis, maintaining diversification across a range of asset classes in order to produce an appropriate balance between risk and return. In line with this approach, the College statutes allow the College to invest permanent endowments to maximise the related total return and to make available for expenditure each year an appropriate proportion of the unapplied total return.

The investment strategy, policy and performance are monitored by the Investment Committee. At the year end, the total group investments, combining the securities, property investments and the investment in JV, amounted to £226,830k. The total net investment return was 10.4% (2015: 10.3%).

Under the total return accounting basis, it is the Governing Body's policy to use a long-term spending rate combined with a smoothing rule, which adjusts spending gradually in accordance with changes in the endowment's market value (after costs). The amount released under this policy is currently based on an income component, determined by a weighted average of allowable prior spending adjusted for inflation (80% weight) and a market component, the amount which would have been spent using 4.3% of the current endowment value (20% weight). This smoothing results in a lag in reaching the long-term rate. The sum of the income and market components is the total endowment income available for spending.

The equivalent of 3.88% of the opening balances of the endowment funds, plus costs, was extracted as income on the total return basis in the year (2015: 4.04%). The Governing Body will keep the level of income withdrawn under review to balance the needs and interests of current and future beneficiaries of the College's activities.

FUTURE PLANS

The core elements of the College's future plans are:

- to continue to recruit and retain world class academic staff and students in the social sciences;
- to take steps to improve student experience and outcomes and prepare them for the academic and non-academic job markets;
- to produce and disseminate high quality and innovative research in the social sciences and to pursue collaborations with the non-academic world;
- to form strong ongoing relationships with alumni and with significant figures in the public and private sectors;
- to work with the University of Oxford to establish a Social Sciences Quarter in the west end of Oxford.

STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES

The Governing Body is responsible for preparing the Report of the Governing Body and the financial statements in accordance with applicable law and regulations.

Charity law requires the Governing Body to prepare financial statements for each financial year. Under that law the Governing Body have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102: The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102).

Under charity law the Governing Body must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the College and of its net income or expenditure for that period. In preparing these financial statements, the Governing Body is required to:

- select the most suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the College will continue to operate.

The Governing Body is responsible for keeping proper accounting records that are sufficient to show and explain the College's transactions and disclose with reasonable accuracy at any time the financial position of the College and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the College and ensuring their proper application under charity law and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Governing Body on 2 November 2016 and signed on its behalf by:

Sir Andrew Dilnot
Warden

Nuffield College

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GOVERNING BODY OF NUFFIELD COLLEGE

We have audited the financial statements of Nuffield College for the year ended 31 July 2016 which comprise the Statement of Accounting Policies, the Consolidated Statement of Financial Activities, the Consolidated and College Balance Sheets, the Consolidated Cash Flow Statement and the related notes numbered 1 to 37.

This report is made solely to the College's Governing Body in accordance with sections 144 and 151 of the Charities Act 2011 and regulation made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Governing Body 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 College and its Governing Body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Governing Body and auditor

As explained more fully in the Statement of Accounting and Reporting Responsibilities, the Governing Body is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Governing Body; and the overall presentation of the financial statements.

We read all the information in the Report of the Governing Body to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charity's affairs as at 31 July 2016 and of the group's incoming resources and application of resources 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.

Matters on which we are required to report by exception

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

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

Critchleys LLP

Statutory Auditor

Oxford

Date: 15 November 2016

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

Nuffield College
Statement of Accounting Policies
Year ended 31 July 2016

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 interest in the OxWED joint venture, under the equity method of accounting. No separate SOFA has been presented for the College alone as currently permitted by the Charity Commission on a concessionary basis for the filing of consolidated financial statements.

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 College has adopted FRS 102 for the first time when preparing these financial statements. The transition date to FRS 102 was 1 August 2014 and the last financial statements prepared under the previous financial reporting framework were prepared for the year ended 31 July 2015. An explanation and reconciliation of how the transition to FRS 102 has affected the reported financial position and financial performance is provided in note 33.

The financial statements have been prepared on a going concern basis and on the historical cost basis, except for the measurement of investments and certain financial assets and liabilities at fair value with movements in value reported within the Statement of Financial Activities (SOFA). The principal accounting policies adopted are set out below and have been applied consistently throughout the year.

3. Accounting judgements and estimation uncertainty

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

The College participates in a multi-employer defined benefit pension plan. In the judgement of the Governing Body there is insufficient information about the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets in the financial statements and therefore the plan is accounted for as a defined contribution scheme (see note 23).

The College carries investment property at fair value in the balance sheet, with changes in fair value being recognised in the income and expenditure section of the SOFA. Independent valuations are obtained to determine fair value at the balance sheet date.

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. Income recognition

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

Nuffield College
Statement of Accounting Policies
Year ended 31 July 2016

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

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

b. Income from donations, grants and legacies

Donations and grants that do not impose specific future performance-related or other specific conditions are recognised on the date on which the charity has entitlement to the resource, the amount can be reliably measured and the economic benefit to the College of the donation or grant is probable. In case of donations, entitlement usually arises immediately on its receipt. Donations and grants subject to performance-related conditions are recognised as and when those conditions are met. Donations and grants subject to other specific conditions are recognised as those conditions are met or their fulfilment is wholly within the control of the College and it is probable that the specified conditions will be met.

Legacies are recognised following grant of probate and once the College has received sufficient information from the executor(s) of the deceased's estate to be satisfied that the gift can be reliably measured and that the economic benefit to the College is probable.

Donations, grants and legacies accruing for the general purposes of the College are credited to unrestricted funds.

Donations, grants and legacies which are subject to conditions as to their use imposed by the donor or set by the terms of an appeal are credited to the relevant restricted fund or, where the donation, grant or legacy is required to be held as capital, to the endowment funds. Where donations are received in kind (as distinct from cash or other monetary assets), they are measured at the fair value of those assets at the date of the gift.

Research grants income is usually conditional on delivery of specified research and incurring pre-determined expenditure, therefore performance condition is delivery of particular level of service, measured by proportion of costs incurred.

c. Investment income

Interest on bank balances is accounted for on an accrual basis with interest recognised in the period to which the interest relates.

Income from fixed interest debt securities is recognised using the effective interest rate method.

Dividend income and similar distributions are recognised when the right to receive payment can be established.

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

5. Expenditure

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

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

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

Support costs which includes governance costs (costs of complying with constitutional and statutory requirements) and other indirect costs are apportioned to expenditure categories in the SOFA based on the estimated amount attributable to that activity in the year, either by reference to staff time or the use made of the underlying assets, as appropriate. Irrecoverable VAT is included with the item of expenditure to which it relates.

6. Leases

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

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

7. Tangible fixed assets

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

Expenditure on the acquisition or enhancement of land and on the acquisition, construction and enhancement of buildings which is directly attributable to bringing the asset to its working condition for its intended use and amounting to more than £25,000 together with expenditure on equipment costing more than £5,000 is capitalised.

Where a part of a building or equipment is replaced and the costs capitalised, the carrying value of those parts replaced is derecognised and expensed in the SOFA.

Other expenditure on equipment incurred in the normal day-to-day running of the College and is charged to the SOFA as incurred.

8. Depreciation

Depreciation is provided to write off the cost of all relevant tangible fixed assets, less their estimated residual value, in equal annual instalments over their expected useful economic lives as follows:

Freehold properties, including major extensions	50 years
Leasehold properties	50 years or period of lease if shorter
Building improvements	25 years
Equipment	3 years

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

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

9. Investments

Investment properties are initially recognised at their cost and subsequently measured at their fair value (market value) at each reporting date. Purchases and sales of investment properties are recognised on exchange of contracts.

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

Investments such as hedge funds and private equity funds which have no readily identifiable market value are initially measured at their costs and subsequently measured at their fair value at each reporting date without deduction of the estimated future selling costs. Fair value is based on the most recent valuations available from their respective fund managers.

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

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

10. Other financial instruments

a. Derivatives

Derivative financial instruments are initially measured at fair value on the date the contract is entered into and are subsequently measured at fair value. Changes in fair value are credited or charged to the income or expenditure section of the SOFA. Hedge accounting is not currently applied to derivatives.

b. Cash and cash equivalents

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

c. Debtors and creditors

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

11. 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.

12. Foreign currencies

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

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

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

13. Total Return investment accounting

The College statutes authorise the College to adopt a 'total return' basis for the investment of its permanent endowment. The College can invest its permanent endowments without regard to the capital/income distinctions of standard trust law and with discretion to apply any part of the accumulated total return on the investment as income for spending each year. Until this power is exercised, the total return is accumulated as a component of the endowment known as the unapplied total return that can be either be retained for investment or released to income at the discretion of the Governing Body.

14. Fund accounting

The total funds of the College are allocated to unrestricted, restricted or endowment funds based on the terms set by the donors or set by the terms of an appeal. 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 specified that the funds are to be used for particular purposes of the College. They consist of either gifts where the donor has specified that both the capital and any income arising must be used for the purposes given or the income on gifts where the donor has required or permitted the capital to be maintained and with the intention that the income will be used for specific purposes within the College's objects.

Permanent endowment funds arise where donors specify that the funds are to be retained as capital for the permanent benefit of the College. Any part of the total return arising from the capital that is allocated to income will be accounted for as unrestricted funds unless the donor has placed restrictions— on the use of that income, in which case it will be accounted for as a restricted fund.

Expendable endowment funds are similar to permanent endowment in that they have been given, or the College has determined based on the circumstances that they have been given, for the long term benefit of the College. However, the Governing Body may at their discretion determine to spend all or part of the capital.

15. Pension costs

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

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

Nuffield College
Consolidated Statement of Financial Activities
For the year ended 31 July 2016

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2016 Total £'000	2015 Total £'000
INCOME AND ENDOWMENTS FROM:						
Charitable activities:	1					
Teaching, research and residential		1,657	0	0	1,657	1,378
Other Trading Income	3	0	0	0	0	0
Donations and legacies	2	5	2	360	367	726
Investments						
Investment income	4	65	267	8,228	8,560	7,107
Total return allocated to income	14	6,077	0	(6,077)	0	0
Other income		0	0	0	0	0
Total income		7,804	269	2,511	10,584	9,211
EXPENDITURE ON:						
Charitable activities:	5					
Teaching, research and residential		7,041	866	0	7,907	7,726
Generating funds:						
Fundraising		163	0	0	163	139
Trading expenditure		0	0	0	0	0
Investment management costs (incl. Loan interest)		18	53	1,603	1,674	1,110
Total Expenditure		7,222	919	1,603	9,744	8,975
Net Income/(Expenditure) before gains		582	(650)	908	840	236
Net gains/(losses) on investments	10, 11	0	260	14,953	15,213	12,096
Net Income/(Expenditure)		582	(390)	15,861	16,053	12,332
Group share of joint venture's profit/(loss)	12	0	0	(439)	(439)	0
Transfers between funds	19	0	223	(223)	0	0
Other recognised gains/losses						
Gains/(losses) on revaluation of fixed assets		0	0	0	0	0
Actuarial gains/(losses) on defined benefit pension schemes		0	0	0	0	0
Net movement in funds for the year		582	(167)	15,199	15,614	12,332
Fund balances brought forward	19	12,656	7,124	173,299	193,079	180,747
Funds carried forward at 31 July		13,238	6,957	188,498	208,693	193,079

Nuffield College
Consolidated and College Balance Sheets
As at 31 July 2016

	Notes	2016 Group £'000	2015 Group £'000	2016 College £'000	2015 College £'000
FIXED ASSETS					
Tangible assets	9	11,289	9,018	11,289	9,018
Heritage assets		0	0	0	0
Property investments	10	102,589	97,019	102,589	97,019
Other Investments	11	118,130	114,766	124,680	114,766
Investment in joint venture	12	6,111			
Total Fixed Assets		238,119	220,803	238,558	220,803
CURRENT ASSETS					
Stocks		67	64	67	64
Debtors	15	1,610	1,076	1,610	1,076
Investments		0	0	0	0
Cash at bank and in hand		3,787	6,116	3,787	6,116
Total Current Assets		5,464	7,256	5,464	7,256
LIABILITIES					
Creditors: Amounts falling due within one year	16	1,985	2,048	1,985	2,048
NET CURRENT ASSETS/(LIABILITIES)		3,479	5,208	3,479	5,208
TOTAL ASSETS LESS CURRENT LIABILITIES		241,598	226,011	242,037	226,011
CREDITORS: falling due after more than one year	17	31,825	31,807	31,825	31,807
Provisions for liabilities and charges	18	0	0	0	0
NET ASSETS/(LIABILITIES) BEFORE PENSION ASSET OR LIABILITY		209,773	194,204	210,212	194,204
Defined benefit pension scheme liability	23	1,080	1,125	1,080	1,125
TOTAL NET ASSETS/(LIABILITIES)		208,693	193,079	209,132	193,079
FUNDS OF THE COLLEGE					
Endowment funds		188,498	173,299	188,937	173,299
Restricted funds		6,957	7,124	6,957	7,124
Unrestricted funds					
Designated funds		12,686	9,821	12,686	9,821
General funds		1,632	3,960	1,632	3,960
Revaluation reserve		0	0	0	0
Pension reserve	23	(1,080)	(1,125)	(1,080)	(1,125)
		208,693	193,079	209,132	193,079

The financial statements were approved and authorised for issue by the Governing Body of Nuffield College on 2 November 2016

Warden: Sir A W Dilnot

Bursar: Mr T Moore

Nuffield College
Consolidated Statement of Cash Flows
For the year ended 31 July 2016

	Notes	2016 £'000	2015 £'000
Net cash provided by (used in) operating activities	26	<u>(8,023)</u>	<u>(6,660)</u>
Cash flows from investing activities			
Dividends, interest and rents from investments		8,192	7,080
Proceeds from the sale of property, plant and equipment		359	0
Purchase of property, plant and equipment		(2,841)	(670)
Proceeds from sale of investments		10,603	9,149
Purchase of investments		<u>(12,289)</u>	<u>(33,200)</u>
Net cash provided by (used in) investing activities		<u>4,024</u>	<u>(17,641)</u>
Cash flows from financing activities			
Repayments of borrowing		(509)	(108)
Cash inflows from new borrowing		0	24,807
Receipt of endowment		<u>360</u>	<u>717</u>
Net cash provided by (used in) financing activities		<u>(149)</u>	<u>25,416</u>
Change in cash and cash equivalents in the reporting period		<u>(4,148)</u>	<u>1,115</u>
Cash and cash equivalents at the beginning of the reporting period		12,436	10,872
Change in cash and cash equivalents due to exchange rate movements		1,080	449
Cash and cash equivalents at the end of the reporting period	27	<u>9,368</u>	<u>12,436</u>

Nuffield College
Notes to the financial statements
For the year ended 31 July 2016

1 INCOME FROM CHARITABLE ACTIVITIES

	2016	2015
	£'000	£'000
Teaching, Research and Residential		
Unrestricted funds		
Tuition fees - UK and EU students	93	89
Tuition fees - Overseas students	84	93
Other fees	14	14
Other HEFCE support	164	163
Other academic income	643	376
College residential income	659	643
	<u>1,657</u>	<u>1,378</u>
Total Teaching, Research and Residential	<u>1,657</u>	<u>1,378</u>
Total income from charitable activities	<u>1,657</u>	<u>1,378</u>

The above analysis includes £158k received from Oxford University from publicly accountable funds under the CFF Scheme (2015: £170k).

2 DONATIONS AND LEGACIES

	2016	2015
	£'000	£'000
Donations and Legacies		
Unrestricted funds	5	5
Restricted funds	2	4
Endowed funds	360	717
	<u>367</u>	<u>726</u>

3 INCOME FROM OTHER TRADING ACTIVITIES

	2016	2015
	£'000	£'000
Subsidiary company trading income	0	0
Other trading income	0	0
	<u>0</u>	<u>0</u>

4 INVESTMENT INCOME

	2016	2015
	£'000	£'000
<i>Unrestricted funds</i>		
Other investment income	64	47
Bank interest	1	0
	<u>65</u>	<u>47</u>
<i>Restricted funds</i>		
Other property income	0	0
Equity dividends	267	247
Interest on fixed term deposits and cash	0	2
Other interest	0	1
	<u>267</u>	<u>250</u>
<i>Endowed funds</i>		
Agricultural rent	48	48
Commercial rent	6,378	5,226
Other property income	19	23
Equity dividends	1,560	1,502
Interest on fixed term deposits and cash	223	11
Other investment income	0	0
	<u>8,228</u>	<u>6,810</u>
Total Investment income	<u>8,560</u>	<u>7,107</u>

Nuffield College
Notes to the financial statements
For the year ended 31 July 2016

5 ANALYSIS OF EXPENDITURE

	2016	2015
	£'000	£'000
Charitable expenditure		
Direct staff costs allocated to:		
Teaching, research and residential	4,034	4,021
Other direct costs allocated to:		
Teaching, research and residential	2,853	2,712
Support and governance costs allocated to:		
Teaching, research and residential	1,020	993
Total charitable expenditure	7,907	7,726
Expenditure on raising funds		
Direct staff costs allocated to:		
Fundraising	107	71
Investment management costs	103	67
Other direct costs allocated to:		
Fundraising	51	63
Investment management costs	1,559	1,031
Support and governance costs allocated to:		
Fundraising	5	5
Investment management costs	12	12
Total expenditure on raising funds	1,837	1,249
Total expenditure	9,744	8,975

The comparative year's (2015) resources expended of £8,975k represented £7,317k from unrestricted funds, £619k from restricted funds and £1,039k from endowed funds.

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

The teaching and research costs include College Contribution payable of £154k (2015 - £154k).

6 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

	Generating Funds £'000	Teaching and Research £'000	Public Worship £'000	Heritage £'000	2016 Total £'000
Financial administration	2	249	0	0	251
Domestic administration	2	150	0	0	152
Human resources	0	61	0	0	61
IT	1	262	0	0	263
Depreciation	0	247	0	0	247
Loss/(profit) on fixed assets	0	(13)	0	0	(13)
Other finance charges	12	45	0	0	57
Governance costs	0	19	0	0	19
	17	1,020	0	0	1,037
	Generating Funds £'000	Teaching and Research £'000	Public Worship £'000	Heritage £'000	2015 Total £'000
Financial administration	4	274	0	0	278
Domestic administration	0	177	0	0	177
Human resources	0	50	0	0	50
IT	1	209	0	0	210
Depreciation	0	235	0	0	235
Loss/(profit) on fixed assets	0	0	0	0	0
Bank interest payable	0	0	0	0	0
Other finance charges	12	31	0	0	43
Governance costs	0	17	0	0	17
	17	993	0	0	1,010

Nuffield College
Notes to the financial statements
For the year ended 31 July 2016

Finance and administration and human resources costs are attributed on a per capita basis.
 Depreciation costs are attributed on a per capita basis.
 IT costs are attributed on a per capita basis.

	2016	2015
	£'000	£'000
Governance costs comprise:		
Auditor's remuneration - audit services	15	15
Other governance costs	4	2
	<u>19</u>	<u>17</u>

No amount has been included in governance costs for the direct employment costs or reimbursed expenses of the College Fellows on the basis that these payments relate to the Fellows' involvement in the College's charitable activities. Details of the remuneration of the Fellows and their reimbursed expenses are included as a separate note within these financial statements.

7 GRANTS AND AWARDS

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

	2016	2015
	£'000	£'000
Unrestricted funds		
Grants to individuals:		
Scholarships, prizes and grants	454	431
Bursaries and hardship awards	9	4
Grants to other institutions	3	3
Total unrestricted	<u>466</u>	<u>438</u>
Restricted funds		
Grants to individuals:		
Scholarships, prizes and grants	21	23
Total restricted	<u>21</u>	<u>23</u>
Total grants and awards	<u>487</u>	<u>461</u>

The above costs are included within the charitable expenditure on Teaching, research and residential. Grants to other institutions comprise donations to other charitable organisations.

8 STAFF COSTS

The aggregate staff costs for the year were as follows.

	2016	2015
	£'000	£'000
Salaries and wages	3,959	3,513
Social security costs	330	285
Pension costs:		
Pension contributions	558	533
Movement in pension liability (note 19 and 23)	(81)	341
	<u>4,766</u>	<u>4,672</u>

Key management remuneration

The total remuneration paid to key management was £476k (2015: £470k).

Key management are considered to be the Warden, Senior Tutor, Head of Endowment Office, Bursar and College Accountant.

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

	2016	2015
Tuition and research	31	24
College residential	33	32
Fundraising	2	1
Support	11	9
Total	<u>77</u>	<u>66</u>

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

University Lecturers	10	9
Other teaching and research	27	31
Other	3	3
Total	<u>40</u>	<u>43</u>

Nuffield College
Notes to the financial statements
For the year ended 31 July 2016

The College also benefits from temporary staff and agency workers who are not on the College payroll. The following information relates to the employees of the College excluding the College Trustees. Details of the remuneration and reimbursed expenses of the College Trustees are included as a separate note in these financial statements.

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

	2016	2015
£60,001-£70,000	2	1

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

In defined benefits schemes	2	1
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9 TANGIBLE FIXED ASSETS

Group and College	Leasehold land and buildings £'000	Freehold land and buildings £'000	Plant and machinery £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost					
At start of year	2,329	10,407	0	65	12,801
Additions	641	2,201	0	35	2,877
Disposals	0	(359)	0	0	(359)
At end of year	2,970	12,249	0	100	15,319
Depreciation and impairment					
At start of year	638	3,089	0	56	3,783
Depreciation charge for the year	37	196	0	14	247
Depreciation on disposals	0	0	0	0	0
Impairment	0	0	0	0	0
At end of year	675	3,285	0	70	4,030
Net book value					
At end of year	2,295	8,964	0	30	11,289
At start of year	1,691	7,318	0	9	9,018

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.

Nuffield College
Notes to the financial statements
For the year ended 31 July 2016

10 PROPERTY INVESTMENTS

Group and College	Agricultural £'000	Commercial £'000	Other £'000	2016 Total £'000	2015 Total £'000
Valuation at start of year	2,700	94,319	0	97,019	68,547
Additions and improvements at cost	0	409	0	409	27,291
Disposals	0	(5)	0	(5)	(916)
Revaluation gains/(losses) in the year	150	5,016	0	5,166	2,097
Valuation at end of year	2,850	99,739	0	102,589	97,019

The College directly invests in a substantial portfolio of commercial property and one agricultural holding. All the property is held in the United Kingdom except for three assets in Berlin, Germany.

A formal valuation of the agricultural property in Liverpool was prepared by Simon P Alden MRICS FAAV of Adkin as at 31 July 2016.

Formal valuations for the majority of the commercial properties were prepared as at 31 July 2016 by their respective managing agents: by Nicholas F Rees MRICS of Savills for UK property (including Worcester Street car park) and Volker Zwing of Meterhoch2! for Berlin.

The remaining commercial properties are valued five yearly and were valued as at 31 July 2015, as follows: Nuffield Estate by Emily Ham MRICS of Adkin and 10a New Road by Marriotts.

11 OTHER INVESTMENTS

All investments are held at fair value.

	2016 £'000	2015 £'000
Group investments		
Valuation at start of year	114,766	106,568
New money invested	5,739	5,905
Amounts withdrawn	(12,422)	(7,706)
Reinvested income	0	0
(Decrease)/increase in value of investments	10,047	9,999
Group investments at end of year	118,130	114,766
Loan to Joint Venture (note 12)	6,550	0
College investments at end of year	124,680	114,766

Group investments comprise:	Held outside the UK £'000	Held in the UK £'000	2016 Total £'000	Held outside the UK £'000	Held in the UK £'000	2015 Total £'000
Equity investments	0	43,517	43,517	0	42,597	42,597
Global multi-asset funds	27,606	29,789	57,395	24,638	28,398	53,036
Property funds	117	590	707	120	688	808
Fixed interest stocks	0	0	0	299	0	299
Alternative and other investments	10,268	662	10,930	11,062	644	11,706
Fixed term deposits and cash	3,566	2,015	5,581	5,856	464	6,320
Total group investments	41,557	76,573	118,130	41,975	72,791	114,766

Nuffield College
Notes to the financial statements
For the year ended 31 July 2016

12 INVESTMENT IN JOINT VENTURE

Oxford West End Development Limited (OxWED) was incorporated in January 2016 as a joint venture between Nuffield College and Oxford City Council. Nuffield College holds a 50% share of the company. The purpose of the company is to develop and regenerate the West End area of Oxford. The objectives of the Joint Venture are aligned with Nuffield College's broader aim of promoting social science in the West End.

Nuffield College provided a loan to the joint venture of £6,550k for land purchase and working capital. Interest is charged at 6.5%. Interest income of £207k was outstanding at 31 July 2016 (note 15).

Nuffield's interest in the joint venture is measured using the equity method of accounting in the consolidated financial statements.

Nuffield's share of the net assets of OxWED is included in the consolidated balance sheet and the net share of profit/(loss) is shown in the consolidated SoFA, and calculated as follows:

	Total	Nuffield College share 50%	Oxford City Council share 50%
Members' interest	£000	£000	£000
Capital classified as liability	13,100	6,550	6,550
Other reserves classified as equity	(878)	(439)	(439)
Members' interest as at 31 July 2016	12,222	6,111	6,111

OxWED

Profit and Loss account

	£000
Income	105
Expenditure	(48)
Operating Surplus/(Loss)	<u>57</u>
Interest charge	(414)
Loss from Continuing operations	<u>(357)</u>
Devaluation of Investment Property	(521)
Total Comprehensive Income & Expenditure Loss	<u><u>(878)</u></u>

Balance Sheet

Fixed assets	12,500
Current assets	155
Current Liabilities	(433)
Net assets attributable to members	<u><u>12,222</u></u>

Within the joint venture, fixed assets are valued on a market basis. The last valuation was carried out as at 31 March 2016, by Savills. The College had a contracted commitment at 31 July 2016 to provide a further loan to OxWED for the sum of £4,000k for the purchase of additional land in Oxpens (included in note 29).

13 PARENT AND SUBSIDIARY UNDERTAKINGS

The College holds 100% of the issued share capital in Nuffield Properties Limited, which has been dormant in the current and previous reporting periods.

14 STATEMENT OF INVESTMENT TOTAL RETURN

The Trustees have adopted a duly authorised policy of total return accounting for the College investment returns with effect from 31 July 2013. The investment return to be applied as income is calculated as a weighted average of the prior year expenditure adjusted for inflation (80%) and the amount which would have been spent using 4.30% of the current endowment value (20%). The application of the above rule equates to a drawdown rate of 3.88% (2015 - 4.04%) of the opening balances of the endowment funds. The preserved (frozen) value of the invested endowment capital represents its open market value in 2003 together with all subsequent endowments valued at date of gift.

	Trust for Investment £'000	Permanent Endowment Unapplied Total Return £'000	Total £'000	Expendable Endowment £'000	Total Endowments £'000
At the beginning of the year:					
Gift component of the permanent endowment	70,244		70,244		70,244
Unapplied total return		52,085	52,085		52,085
Expendable endowment				50,970	50,970
Total Endowments	70,244	52,085	122,329	50,970	173,299
Movements in the reporting period:					
Gift of endowment funds	360		360		360
Recoupment of trust for investment		0	0		0
Allocation from trust for investment	0	0	0		0
Investment return: total investment income		5,748	5,748	2,480	8,228
Investment return: realised and unrealised gains and losses		10,241	10,241	4,712	14,953
Less: Investment management costs		(750)	(750)	(327)	(1,077)
Less: Loan interest payable		(371)	(371)	(155)	(526)
Other transfers		(223)	(223)		(223)
Net profit/(loss) in relation to joint venture				(439)	(439)
Total	360	14,645	15,005	6,271	21,276
Unapplied total return allocated to income in the reporting period		(4,518)	(4,518)	0	(4,518)
Expendable endowments transferred to income			0	(1,559)	(1,559)
	0	(4,518)	(4,518)	(1,559)	(6,077)
Net movements in reporting period	360	10,127	10,487	4,712	15,199
At end of the reporting period:					
Gift component of the permanent endowment	70,604	0	70,604		70,604
Unapplied total return		62,212	62,212		62,212
Expendable endowment				55,682	55,682
Total Endowments	70,604	62,212	132,816	55,682	188,498

Nuffield College
Notes to the financial statements
For the year ended 31 July 2016

15 DEBTORS

	2016	2015	2016	2015
	Group	Group	College	College
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade debtors	1,274	899	1,274	899
Amounts owed by College members	7	25	7	25
Amounts owed by joint venture	207	0	207	0
Loans repayable within one year	2	3	2	3
Prepayments and accrued income	84	100	84	100
Other debtors	0	1	0	1
Amounts falling due after more than one year:				
Loans	36	48	36	48
	1,610	1,076	1,610	1,076

16 CREDITORS: falling due within one year

	2016	2015	2016	2015
	Group	Group	College	College
	£'000	£'000	£'000	£'000
Trade creditors	686	607	686	607
Amounts owed to College Members	1	1	1	1
Holiday pay accrual	36	36	36	36
Amounts owed to Group undertakings	0	0	0	0
Taxation and social security	280	256	280	256
College contribution	154	154	154	154
Accruals and deferred income	687	878	687	878
Other creditors	141	116	141	116
	1,985	2,048	1,985	2,048

17 CREDITORS: falling due after more than one year

	2016	2015	2016	2015
	Group	Group	College	College
	£'000	£'000	£'000	£'000
Bank loans	31,825	31,807	31,825	31,807
	31,825	31,807	31,825	31,807

A loan of £32 million was arranged in 2014/15 with Royal Bank of Scotland to (i) fund the acquisition of Investment Properties in Oxford and (ii) refinance the existing bank loans. The loan is repayable at the end of 10 years (2025) and may be repaid earlier.

The interest rate is 1% above LIBOR.

The loan is measured at amortised cost using the effective interest method.

The loan arrangement fee of £193k has been treated as a deduction from the amount of the principal advanced and the effective interest rate on the loan has been calculated to reflect the arrangement fee being amortised over the loan period.

18 PROVISIONS FOR LIABILITIES AND CHARGES

	2016	2015	2016	2015
	Group	Group	College	College
	£'000	£'000	£'000	£'000
At start of year	0	0	0	0
Charged in the Statement of Financial Activities	0	0	0	0
Settled in the year	0	0	0	0
At end of year	0	0	0	0

Nuffield College
Notes to the financial statements
For the year ended 31 July 2016

19 ANALYSIS OF MOVEMENTS ON FUNDS

	At 1 August 2015 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2016 £'000
Endowment Funds - Permanent						
General	102,335	4,981	(968)	(3,975)	9,461	111,834
Guardian Fellowship Fund	1,800	68	(14)	(68)	67	1,853
GS Pollard Memorial Bursary	166	7	(1)	(6)	5	171
Ford Foundation Endowment	9,734	363	(72)	(363)	352	10,014
Gwilym Gibbon Bequest	4,761	177	(36)	(185)	173	4,890
Arthur Goodhart Fund	399	16	(3)	(16)	15	411
Andrew Mellon	1,323	52	(10)	(52)	50	1,363
PM Williams Memorial Appeal	102	3	(2)	(3)	4	104
Jemolo Research Fellowship	972	36	(7)	(36)	35	1,000
Oxford Graduate Scholarship Funds	737	404	(8)	(37)	80	1,176
Subtotal (Permanent endowment)	122,329	6,107	(1,121)	(4,741)	10,242	132,816
Endowment Funds - Expendable						
General	50,970	2,481	(482)	(8,109)	4,711	49,571
Endowment funds invested in joint venture				6,550		6,550
Total Endowment Funds - College	173,299	8,588	(1,603)	(6,300)	14,953	188,937
Movement of endowment funds invested in JV					(439)	(439)
Total Endowment Funds - Group	173,299	8,588	(1,603)	(6,300)	14,514	188,498
Restricted Funds						
Guardian Fellowship Fund	164	6	(2)	58	6	232
GS Pollard Memorial Bursary	240	9	(49)	0	9	209
Ford Foundation Endowment	1,781	67	(64)	83	65	1,932
Gwilym Gibbon Bequest	3,304	123	(740)	0	119	2,806
Arthur Goodhart Fund	905	34	(10)	14	34	977
Andrew Mellon	229	9	(23)	0	9	224
PM Williams Memorial Appeal	67	3	(1)	3	2	74
Jemolo Research Fellowship	415	15	(8)	28	15	465
Studentship Appeal and Studentship Support	9	2	0	0	0	11
Oxford Graduate Scholarship Funds	10	1	(22)	37	1	27
Total Restricted Funds - College	7,124	269	(919)	223	260	6,957
Restricted funds held by subsidiaries	0	0	0	0	0	0
Total Restricted Funds - Group	7,124	269	(919)	223	260	6,957
Unrestricted Funds						
General funds	3,960	1,708	(7,068)	3,032		1,632
Fixed asset designated fund	9,018			2,271		11,289
Other designated funds	803	19	(154)	729		1,397
Revaluation reserve						0
Pension reserve	(1,125)			45		(1,080)
Total Unrestricted Funds - College	12,656	1,727	(7,222)	6,077	0	13,238
Unrestricted funds held by subsidiaries	0	0	0	0	0	0
Total Unrestricted Funds - Group	12,656	1,727	(7,222)	6,077	0	13,238
Total Funds	193,079	10,584	(9,744)	0	14,774	208,693

20 FUNDS OF THE COLLEGE DETAILS

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

Endowment Funds - Permanent:

	<u>Sources/Origins</u>	<u>Purposes</u>
General endowment	Lord Nuffield's Benefaction Nuffield Foundation	To provide a College for postgraduate work especially in the study of social (including economic and political) problems.
Guardian Research Fellowship	The Scott Trust	Research by persons with experience in the print and broadcast media.
GS Pollard Memorial Bursary	CIPFA	To provide for studentship or research funding into modern developments in public finance.
Ford Foundation Endowment	The Ford Foundation	Supports Fellows of the College in the field of politics, with particular reference to European politics
Gwilym Gibbon Bequest	Sir I. Gwilym Gibbon	For the study of the problems of Government.
Arthur Goodhart Fund	Professor Goodhart, (organised by the Association of American Rhodes Scholars)	Provides for travel grants to and from North America.
Andrew Mellon Fund	The Andrew W. Mellon Foundation	Supports scholarly activities in conjunction with the Andrew Mellon Professorship, and the field of American Government.
PM Williams Memorial Appeal	Appeal issued in 1984, administered by Nuffield College	Student support, and Library expenditure.
Jemolo Research Fellowship	The Bank of Italy, the Banca Commerciale Italiana, the Banco di Santo Spirito, The Istituto S. Paolo di Torino and the Assicurazioni Generali	A visiting Fellowship by persons whose field of research is Italy.
Oxford Graduate Scholarship Funds	J.Hausman, Swire Educational Trust and others	Three Trust Funds, the purpose of which is to pay some or all of the University and College fees together with a maintenance grant. The original capital cannot be spent.

Endowment Funds - Expendable:

Lord Nuffield's Bequest	To provide additional funds to support the College for postgraduate work especially in the study of social (including economic and political) problems.
Sir Norman Chester's Bequest	
P.M. Williams' Bequest	
Endowment funds invested in joint venture	Note 12

Restricted Funds:

The following funds represent unspent income from the respective endowment fund:

Guardian Research Fellowship	Annual appeal organised by Nuffield College	For student financial support
GS Pollard Memorial Bursary		
Ford Foundation Endowment		
Gwilym Gibbon Bequest		
Arthur Goodhart Fund		
Andrew Mellon Fund		
PM Williams Memorial Appeal		
Jemolo Research Fellowship		
Oxford Graduate Scholarship Funds		
Studentship Appeal and Studentship Support		

Designated Funds

Fixed asset designated fund	Unrestricted Funds which are represented by the fixed assets of the College and therefore not available for expenditure on the College's general purposes
Other designated funds	Unrestricted Funds allocated by the Fellows for future costs of specific research
Pension reserve	Unrestricted Funds, in accordance with FRS 102, representing the defined benefit pension scheme liability

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.

21 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2016 Total £'000
Tangible fixed assets	11,289	0	0	11,289
Property investments	0	0	102,589	102,589
Other investments	0	6,957	111,173	118,130
Investment in joint venture			6,111	6,111
Net current assets	3,029	0	450	3,479
Long term liabilities	0	0	(31,825)	(31,825)
Pension scheme liability	(1,080)	0	0	(1,080)
	<u>13,238</u>	<u>6,957</u>	<u>188,498</u>	<u>208,693</u>

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2015 Total £'000
Tangible fixed assets	9,018	0	0	9,018
Property investments	0	0	97,019	97,019
Other investments	0	7,124	107,642	114,766
Net current assets	4,763	0	445	5,208
Long term liabilities	0	0	(31,807)	(31,807)
Pension scheme liability	(1,125)	0	0	(1,125)
	<u>12,656</u>	<u>7,124</u>	<u>173,299</u>	<u>193,079</u>

22 TRUSTEES' REMUNERATION

The trustees of the College comprise the permanent Governing Body Fellows who sit on governing body by virtue of their employment.

The Fellows who are the Trustees of the College for the purposes of charity law receive no remuneration for acting as charity trustees but are paid by either or both of the University and the College for the academic services they provide to the College.

Proposed changes in remuneration are scrutinised by the Fellows' Remuneration Review Committee.

Trustees of the College fall into the following categories:

Professorial Fellow
 Official Fellow
 Research Fellow

There are also three trustees, the Warden, the Bursar and the Senior Tutor, who work full time on management.

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 are eligible for participation in the College housing scheme. 22 trustees live in houses owned jointly by the College.

Some trustees receive additional allowances for additional work carried out as part time College officers eg Dean. These amounts are included within the remuneration figures below.

Remuneration paid to trustees

Range	2016		2015	
	Number of Trustees/Fellows	Gross remuneration, taxable benefits and pension contributions £	Number of Trustees/Fellows	Gross remuneration, taxable benefits and pension contributions £
£Nil	1	0	1	0
£1,000-£4,999	0	0	1	3,336
£10,000-£14,999	1	14,853	0	0
£15,000-£19,999	0	0	2	38,270
£20,000-£24,999	6	135,534	10	237,393
£25,000-£29,999	16	420,491	12	322,650
£30,000-£34,999	5	163,360	3	95,453
£35,000-£39,999	0	0	1	35,072
£40,000-£45,999	0	0	3	131,188
£65,000-£69,999	1	69,699	0	0
£70,000-£74,999	1	71,762	0	0
£75,000-£79,999	0	0	1	75,326
£80,000-£84,999	2	163,324	1	81,293
£95,000-£99,999	1	98,681	0	0
£100,000-£104,999	3	309,839	4	409,656
£105,000-£109,999	0	0	1	107,515
£110,000-£114,999	1	111,783	1	110,445
£115,000-£119,999	1	117,573	1	115,814
£160,000-£164,999	1	164,326	1	163,889
Total	40	1,841,225	43	1,927,300

The amounts disclosed above include only payments made by the College; some trustees are paid jointly by the College and the University of Oxford.

All trustees may eat at common table, as can all other employees who are entitled to meals while working.

Other transactions with trustees

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

See also note 30 Related Party Transactions.

23 PENSION SCHEMES

The College participates in the Universities Superannuation Scheme ("the USS") and the University of Oxford Staff Pension Scheme ("the 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). The assets of USS and OSPS 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.

Universities Superannuation Scheme

The pension charge for the year includes £390k (2015 - £716k) in relation to the USS. This represents contributions of £406k payable to the USS as adjusted by the change in the deficit funding liability between the opening and closing balance sheet dates of £16k.

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 will be 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 will 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 will be 8% of salary; a defined contribution benefit for salary in excess of the salary threshold at the total level of 20% (8% employee, 12% employer) 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 to be matched by employer contributions. Further details about the changes may be reviewed on USS' website, www.uss.co.uk. For the period up to 1 April 2016 the employer deficit contribution was 0.7% p.a. of salaries based on the assumptions made. After allowing for those changes, the actuary established a long term employer contribution rate of 18% pa of salaries for the period from 1 April 2016 to 31 March 2031. On the assumptions made and with the salary threshold and defined contribution section implemented this gives rise to deficit contributions of at least 2.1% p.a of salaries. At 31 March 2016 USS reported that the funding deficit had increased to £10.0 bn (83% funded) from £8.2bn (86% funded) at 31 March 2015.

USS' actuary has assumed that the investment return is 5.2% in year 1, decreasing linearly to 4.7% over 20 years. USS' actuary has assumed that general pay growth will be CPI in year 1, CPI + 1% in year 2 and RPI + 1% pa thereafter. It is assumed that CPI is based on the RPI assumption (market derived price inflation of 3.6% p.a less an inflation risk premium) less RPI/CPI gap of 0.8% p.a. As noted above the USS employer contribution rate is 18% of salaries from 1 April 2016. Prior to that date it is 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.

A provision of £685k has been made at 31 July 2016 (2015 - £702k) for the present value of the estimated future deficit funding element of the contributions payable under this agreement. In determining the level of this provision it has been assumed that the College will continue to have a constant level of employee participation in this scheme and that the relevant earnings of these employees will increase in line with the actuary's projected long-term salary rate increases.

A copy of the full actuarial valuation report and other further details on the scheme are available on the USS website www.uss.co.uk

Oxford Staff Pension Scheme

The pension charge for the year includes £123k (2015 - £183k) in relation to the OSPS. This represents contributions of £152k payable to the OSPS as adjusted by the change in the deficit funding liability between the opening and closing balance sheet dates of £29k.

OSPS' actuarial valuation as at 31 March 2013 identified a required long-term employer contribution rate of 20.1% of total pensionable salaries with a funding deficit of £173m. The University of Oxford, on behalf of all the employers participating in the scheme, has agreed with the trustees of OSPS to address this deficit by raising the employer contribution rate in increments of 0.5% of pensionable salary to 23.5%, with this increase being implemented over the three years to 1 August 2017. The actuary has certified that the additional contribution should eliminate the deficit by 30 June 2026. At 31 March 2015 the scheme reported a funding deficit of £213.4m (71% funded) compared to £134.8m (77% funded) as at 31 March 2014. The next triennial valuation is due with an effective date of 31 March 2016.

The OSPS employer contribution rate required for future service benefits alone at the date of the valuation was 20.1% of total pensionable salaries. It was agreed that employers increase their contribution rate by 0.5% each year to 1 August 2017 to 23.5%.

A provision of £395k has been made at 31 July 2016 (2015 - £423k) for the present value of the estimated future deficit funding element of the contributions payable under this agreement. In determining the level of this provision it has been assumed that the College will continue to have a constant level of employee participation in this scheme and that the relevant earnings of these employees will increase in line with the actuary's projected long-term salary rate increases.

Nuffield College
Notes to the financial statements
For the year ended 31 July 2016

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

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:

Scheme	2016	2015
	£000's	£000's
Universities Superannuation Scheme	390	716
University of Oxford Staff Pension Scheme	123	183
Other schemes – contributions	0	0
Total	513	899

Included in other creditors and accruals are pension contributions payable of £nil (2015: £nil).

24 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.

25 FINANCIAL INSTRUMENTS

The financial statements include the following in respect of items held at fair value:

	2016			2015		
	Income £'000	Expense £'000	Gains / (losses) £'000	Income £'000	Expense £'000	Gains / (losses) £'000
Financial assets measured at fair value through profit or loss	2,032	375	8,529	1,749	462	9,565
Financial liabilities measured at fair value through profit or loss	0	0	0	0	0	0
Financial assets measured at amortised cost	1	0	0	0	2	0
Financial liabilities measured at amortised cost	0	526	0	0	115	0

26 RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH FLOW FROM OPERATIONS

	2016 Group £'000	2015 Group £'000
Net income/(expenditure)	16,053	12,332
Elimination of non-operating cash flows:		
Investment income	(8,560)	(7,107)
(Gains)/losses in investments	(15,213)	(12,096)
Endowment donations	(360)	(717)
Depreciation	247	235
Financing costs	527	115
(Surplus)/loss on sale of fixed assets	(13)	0
Decrease/(Increase) in stock	(3)	3
Decrease/(Increase) in debtors	(534)	(336)
(Decrease)/Increase in creditors	(122)	545
(Decrease)/Increase in provisions	0	366
(Decrease)/Increase in pension scheme liability	(45)	
Net cash provided by (used in) operating activities	(8,023)	(6,660)

27 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £'000	2015 £'000
Cash at bank and in hand	3,787	6,116
Endowment asset cash	5,581	6,320
Bank overdrafts	0	0
Total cash and cash equivalents	9,368	12,436

Nuffield College
Notes to the financial statements
For the year ended 31 July 2016

28 FINANCIAL COMMITMENTS

At 31 July the College had no annual commitments under non-cancellable operating leases.

29 CAPITAL COMMITMENTS

The College had contracted commitments at 31 July for future capital projects totalling £9,579k (2015 - £3,344k).

30 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.

The following trustees had loans outstanding from the College at the end of the year.

	2016	2015
	£'000	£'000
M Mills	36	48

Interest is charged on the above loans at 1% above base rate of the Royal Bank of Scotland plc.

As at 31 July 2016, the College had properties with the followings net book values owned jointly with fellows under joint equity ownership agreements between the fellows and the College. Those fellows, who are currently trustees are marked with an asterisk in the list below.

	2016	2015
	£'000	£'000
B Ansell*	124	483
F Billari*	411	411
S Bond*	159	159
M Browning*	266	266
J Darwin*	289	289
M Ellison*	374	373
G Evans*	608	608
D Gambetta*	176	176
P Klemperer* and M Meyer*	222	222
M Mills*	414	413
C Monden*	210	210
B Nielsen*	208	208
D Rueda*	179	179
R Allen	156	156
D Gallie	111	111
K MacDonald	173	173
D Snidal*	313	0
S Broadberry*	101	0
E Gonzalez Ocantos*	227	0
A Eggers*	415	0
T Moore*	300	0
G Hughes	302	0
R Breen*	293	0
E Kechagia-Ovseiko*	327	0
Total net book value of properties owned jointly with trustees	<u>6,358</u>	<u>4,437</u>

All joint equity properties are subject to sale if the Fellow ceases to be a member of the College (or of an equivalent institution with Oxford University) other than at retirement.

The Fellows pay compensation to the College on the College owned share of the properties, at a rate of 1% of the original College equity, indexed by CPIH.

Eight of the properties above were acquired under the scheme during the year. These were for D Snidal, S Broadberry, E Gonzalez Ocantos, A Eggers, T Moore, G Hughes, R Breen and E Kechagia-Ovseiko.

31 CONTINGENT LIABILITIES

There were no contingent liabilities which require disclosure.

Nuffield College
Notes to the financial statements
For the year ended 31 July 2016

32 POST BALANCE SHEET EVENTS

There are no post balance sheet events that require disclosure.

33 TRANSITION TO FRS 102

The College adopted FRS 102 at 31 July 2016. The date of transition is 1 August 2014. The net effect is set out below.

Effect on the SoFA		Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2015 Total £'000
	Note				
Net Income/(Expenditure) as previously stated		665	27	11,815	12,507
Movement in OSPS Provision y/e 15	1	(37)	-	-	(37)
Movement in USS Provision y/e 15	1	(329)	-	-	(329)
Bank Loan Arrangement Fee	2	-	-	193	193
Interest payable related to Loan below market rate	3	(2)	-	-	(2)
Net Income/(Expenditure) restated		297	27	12,008	12,332
				As at 1 August 2014 £'000	As at 31 July 2015 £'000
Net Funds (as previously stated)				181,542	194,049
Unrestricted					
General					
OSPS Pension Deficit Provision at 1/8/14	1			4,477	3,998
USS Pension Deficit Provision at 1/8/14	1			(386)	(386)
Movement in OSPS Provision y/e 15	1			(373)	(373)
Movement in USS Provision y/e 15	1			-	(37)
Interest payable related to Loan below market rate	3			-	(329)
Holiday Pay Accrual	4			-	(2)
				(36)	(36)
Fixed asset designated fund				8,203	9,018
Other designated fund				474	803
Total unrestricted				12,359	12,656
Restricted				7,097	7,124
Total restricted				7,097	7,124
Endowed				161,291	173,106
Bank Loan Arrangement Fee				-	193
Total Endowed				161,291	173,299
Net Funds (as restated)				180,747	193,079

1 Pension Deficit Provision

The most significant change is the recognition of a liability in respect of the deficit reduction arrangements for multi employer pension defined benefit pension schemes that are accounted for as defined contribution schemes.

2 Bank Loan Arrangement Fee

Under FRS 102, bank loans are measured at amortised cost using the effective interest method, therefore the RBS loan arrangement fee of £193k has been treated as a deduction from the amount of the principal advanced and amortised over the period of the loan.

3 Interest payable related to Loan below market rate

Loans bearing an interest below a market rate are measured at the present value of the future payments discounted at a market rate of interest for a similar debt. An adjustment to the carrying value of the loan provided to a fellow has been recognised on transition.

4 Holiday Pay Accrual

FRS 102 explicitly requires accrued compensated absences to be accounted for. An accrual in respect of accrued holiday pay for non-academic staff has been recognised in the financial statements.