



Annual Report and Accounts

31 July 2012

Company Limited by Guarantee
Registration Number
2953431 (England and Wales)

Charity Registration Number
1039962



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Reference and administrative information

Members of Council	Profesor W Ayliffe Dr A Burnett Professor G Brock Mr J C Carrington Professor F Cox Mrs X Dennen Mr S Duckworth DL Mr A N Eskenzi CBE Mr R A Eve OBE Professor Sir Roderick Floud FBA Mr D H Hodson Mr T Hoffman Professor M Mainelli Mrs M McGregor Mr Roderick M H Wathen
Provost	Professor Sir Roderick Floud FBA
Company Secretary	Dr V Shrimplin (Appointed 1 September 2012)
Registered office	Barnard's Inn Hall Holborn London EC1N 2HH
Company registration number	2953431 (England and Wales)
Charity registration number	1039962
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL

Reference and administrative information

Bankers Bank of Scotland
33 Broad Street
London
EC2N 1HZ

Solicitors Radcliffes LeBrasseur
5 Great College Street
Westminster
London
SW1P 3SJ

Report of the Council 31 July 2012

Report of the Council 31 July 2012

The Members of the Council, who are the Directors of the Company, present their Report Audited Accounts for the year ended 31 July 2012 are also presented

Status

Gresham College was founded in 1597 under the will of Sir Thomas Gresham to give free public lectures. The College was a registered charity until 28 July 1994, when it was incorporated as a charitable company in England and Wales, governed by a Memorandum and Articles of Association. Grants to meet the College's core costs are awarded by the beneficiaries of Sir Thomas' will (the Mercers' Company and the City of London Corporation – the College's core funders).

Activities and Objectives

The College's principal activity is the provision and administration of its academic programme in a tradition going back more than 400 years. The programme comprises free lectures, seminars, conferences and papers, conducted by the Gresham Professors and others selected by them through the Academic Board. These activities foster academic consideration of contemporary problems, challenge those who live and work in the City of London – and now further afield – to engage in intellectual debate on subjects in which the City has a proper concern, and provide a window on the City for learned societies, both national and international. The Council's further intention that Gresham College should be a centre of international excellence is achieved today by dissemination of the academic programme worldwide through the internet.

In setting the charitable objectives and planning future activities, the Council Members have considered the Charity Commission's guidance on public benefit.

Achievements and Performance

Physical audiences for Gresham lectures continued to increase, with 22,510 attendees during the course of the year, an increase of some 11.8% from 2010/11 (20,133). The staging of many lectures at the Museum of London and elsewhere has been key to enabling the College to cope with this demand for physical lecture attendance.

Virtual attendances through the website also continued to increase. There were over one million views through various media during the year, helped by the College's decision last year to exploit popular web-based platforms such as YouTube and FORA TV. We continue to take advantage of new methods of dissemination. Over the year, interaction with worldwide online audiences more than doubled on all social media platforms. Dissemination of Gresham lectures continues to increase, with many new and archived lectures added to YouTube and FORA TV.

The College has also been raising its profile by developing partnerships for cutting-edge debates and seminars. As well as continuing joint lectures within longer-standing relationships such as the London Mathematical Society, Long Finance, Institute of Psychiatry, Royal Historical Society and others, links have been made with other organisations such as the Joseph Rowntree Foundation and the Science Museum.

Report of the Council 31 July 2012

These links have provided a further dimension to the College's increasing outreach, reputation and relevance – something in which both core funders can take pride, and have confidence in value-for-money in line with Sir Thomas' will and intent

The College has been successful in raising sponsorship in kind (and some cash) from these corporate partners, and in particular has also been encouraged by the support which it has received from both the Mercers and the City, for example in the provision of venues for special events. The College is extremely grateful for all this support, which enhances the quality of events and hence the College's reputation and outreach

Finally, the excellence of the Professors has been reflected in the highly complimentary public media attention that they have attracted, and in the continuing high quality of applications for Gresham Chairs. This year, the College appointed from a very strong field of applicants Douglas McWilliams to be Mercers' School Memorial Professor of Commerce, Lord Plant of Highfield to be Gresham Professor of Divinity, Raymond Flood, to be Gresham Professor of Geometry and Sir Geoffrey Nice QC to be Gresham Professor of Law

Financial Review

The financial results of the College's operations are shown on page 11. Total expenditure was £640,956. Although the College's core income remained constant at £660,000, this was supplemented by lettings of the Hall to outside bodies and income from joint academic activities. With total income in 2011/12 of £669,415, the College achieved a modest surplus of income over expenditure of £28,459.

Despite the College's continuing increase in output (both live audiences and virtual attendance through the web), since 2001/02 core costs have continued to be kept in line with or below inflation. In particular

- **Contained event costs** In 2011/12 each event cost on average £4,420 including overheads, a decrease of 1.8% on 2010/11 (£4,500). Comparison with other institutions continues to show these costs to be sound.
- **Additional Sponsorship** The College has continued to seek sponsorship including sponsorship in kind. During 2011/12 sponsorship in cash for lecture services amounted to some Provost's donation of £4,378 and Joseph Rowntree of £4,815. Donations of venues and facilities were received to a value in-kind of over £52,000. These donated facilities have not been shown as income within the financial statements due to the difficulty in quantifying their value accurately, but details are given in note 4 to the financial statements.

Overall, the College continues to maintain costs broadly within the allocation made in the core funders' Memorandum of Understanding. The College is pleased to report that it now has security of tenure for its lecture premises both at Barnard's Inn Hall (15 year lease) and the Museum of London (3 year rolling agreement).

Reserves policy and financial position

Council's planning assumption remains that the core funders will continue to cover core costs in line with their Memorandum of Understanding. This stated that the Mercers and the City would continue to pay the College £660,000 per annum through to 2011/12 (provided some match funding is raised – which has been done) and then over the following two years would provide an increase for inflation equal to RPI.

Report of the Council 31 July 2012

This gives useful assurance of continuing support. Nevertheless, in order to accommodate audiences most College lectures must be held in a venue of the size offered by the Museum of London, placing pressure on the College's budget. Discussions are taking place to renegotiate the financial agreement with the core funders.

Council policy is that the College should hold 4 months' operational and academic support costs as a minimum reserve, and the Memorandum of Understanding endorses this requirement. Because of the constant income, this minimum has remained at £153,000. At year-end, the general fund (minimum reserve and undesignated funds) totalled £249,525 (2011 - £224,499) and so free reserves were £76,585 (2011 - £51,559) above the required minimum – close to the level required by the core funders. The College also accumulated a modest designated fund for future upgrades of its IT infrastructure.

Plans for the future

Following the improvements to the website enabling the College to expand its outreach in the City and globally, new web-based platforms and formats will be exploited and an App is being developed.

The College will continue to expand its partnerships in both reach and depth to enhance the relevance and reputation of the College. This outreach, coupled with the renown of the College's Professors and their academic programme, should over time provide a platform for raising funds for further expansion. The College therefore intends to continue to focus on the excellence of its core academic programme and to include such additional academic events for which it can secure sponsors and that harmonise with the overall programme.

Structure, Governance and Management

Members of the Company

The Charitable Company is a Company limited by guarantee.

Following a special resolution passed on 31 August 2004, the members of the company are the City of London Corporation and the Mercers' Company.

The nominee of the City of London Corporation is Mr A N Eskenzi CBE. The nominee of the Mercers' Company, Wg Cdr M G Dudgeon OBE DL, was succeeded by Mr D H Hodson on 1 February 2012.

Members of Council

Members of Council comprise up to four appointees each of the City of London Corporation and the Mercers' Company, together with up to four co-opted members, two Gresham Professors and the Provost.

Members of Council are Directors of the Charitable Company for the purposes of the Companies Act 2006. They are also Trustees of the Charitable Company within the Charities Act 2011. Insurance cover was maintained for Members of Council against liabilities arising from their duties, at a cost of £1,330 (2011 - £1,330) and provides cover of up to a maximum of £1 million (2011 £1million).

Report of the Council 31 July 2012

The Members of Council who served during the financial year are as follows

Provost

Professor Sir Roderick Floud FBA (Chairman) Appointed 1 September 2008

Appointed by City of London Corporation

Mr Simon Duckworth DL Appointed 21 July 2009

Mr Anthony N Eskenzi CBE (Vice-Chairman and Chairman of the Nominations Committee) Appointed 1 September 2008

Alderman Alison Gowman Resigned 31 July 2012

Mr Tom Hoffman Appointed 21 July 2009

Appointed by the Mercers' Company

Wg Cdr Michael Dudgeon OBE DL (Vice-Chairman) Resigned 31 January 2012

Resigned 31 January 2012

Mr Daniel H Hodson Appointed 13 March 2009

(Vice Chairman with effect from 1 February 2012)

Mrs Menna McGregor Appointed 13 March 2009

Mrs Xenia Dennen Appointed 8 July 2011

Mr Roderick M H Wathen Appointed 1 February 2012

Co-opted

Professor George Brock Appointed 15 March 2012

Dr Andrew Burnett Appointed 4 May 2010

Mr John C Carrington (Chairman of the Finance and Remuneration Committee) Appointed 1 September 2008

Professor Michael Mainelli Appointed 24 November 2009

Mr Jack Wigglesworth Appointed 31 August 2004

Resigned 14 March 2012

Gresham Professors

Professor William Ayliffe Appointed 1 September 2010

Resigned 31 August 2011

Professor Ian Morison Appointed 1 September 2009

Resigned 31 August 2011

Professor John D Barrow Resigned 31 July 2012

Professor Frank Cox Appointed 1 September 2011

Subsequent to the financial year end, Mr R A Eve OBE was appointed as a member of the Council

Procedures adopted for the induction and training of Members of Council

Upon appointment, Members of Council are provided with an information pack which includes the following documents

- Guidance for Trustees and Directors, as approved by the Charity Commission
- Memorandum and Articles of Association of Gresham College
- Guide to recommended practice of Non-Executive Directors
- Finance and Remuneration Committee Terms of Reference
- At least two sets of the minutes, and index to Council minutes from 2001

Report of the Council 31 July 2012

Decision Making

The Charitable Company has two voting Members the Mercers' Company and the Corporation of the City of London. The Members of Council are charity trustees and directors under the Companies Act.

The Council has two Committees a Finance and Remuneration Committee and a Nominations Committee, which recommend to Council on an advisory basis. The Finance Committee reviews the accounts and proposed budget, and determines the policy for the remuneration of staff. The Nominations Committee determines and agrees with the Council the framework and nominations relating to the appointment of new members of the Council (other than those nominated by the core funders). Proposals regarding the academic programme, including costs, are first discussed by the Academic Board, and then recommended to the Council for approval.

Statement of Members of Council's responsibilities

The Members of Council are responsible for preparing the report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Members of Council to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing these financial statements, the Members of Council are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Members of Council are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Report of the Council 31 July 2012

Each of the Members of Council confirms that

- so far as the Member is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- the Member has taken all the steps that he/she ought to have taken as a Member in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

The Members of Council are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

Risk Assessment

The charitable company has undertaken a study of risks including health and safety, fire, public liability and risk to reputation. Procedures are in place to manage risk.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

This report was approved by the Members of Council on 22 November 2012

Registered Office
Barnard's Inn Hall
Holborn
London
EC1N 2HH



Company Secretary

Dr V SHRIMPLIN

Independent auditor's report 31 July 2012

Independent auditor's report to the members of Gresham College

We have audited the financial statements of Gresham College for the year ended 31 July 2012 which comprise the statement of financial activities, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Members of Council and auditor

The Members of Council are also the directors of the charitable company for the purposes of company law. As explained more fully in the Statement of Members of Council's Responsibilities set out in the Report of the Council, the Members of Council are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 (APB'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 charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Members of Council, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Council to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material inconsistencies we consider the implications for our report.

Independent auditor's report 31 July 2012

Opinion on financial statements

In our opinion the financial statements

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 July 2012 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006

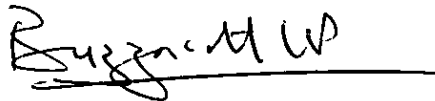
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Council for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- ◆ adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us, or
- ◆ the financial statements are not in agreement with the accounting records and returns, or
- ◆ certain disclosures of Members of Council's remuneration specified by law are not made, or
- ◆ we have not received all the information and explanations we require for our audit



Avnish Savjani, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

4 February 2013

Statement of financial activities Year to 31 July 2012

	Notes	Unrestricted £	Restricted £	Total 2012 £	Total 2011 £
Incoming resources					
Incoming resources from generated funds					
Voluntary income	3	4,378	—	4,378	4,811
Activities for generating funds	4	4,221	—	4,221	36,366
Investment income	5	816	—	816	264
Incoming resources for charitable activities					
Provision of lectures, seminars and conferences	6	660,000	—	660,000	660,000
Total incoming resources		669,415	—	669,415	701,441
Resources expended					
Cost of generating funds					
Costs of fundraising trading		—	—	—	242
Charitable activities					
Provision of lectures, seminars and conferences		610,646	—	610,646	643,454
Governance costs	8	30,310	—	30,310	23,285
Total resources expended	7	640,956	—	640,956	666,981
Net movement in funds	10	28,459	—	28,459	34,460
Balance brought forward at 1 August 2011		225,908	—	225,908	191,448
Balance carried forward at 31 July 2012		254,367	—	254,367	225,908

There is no difference between the net movement in funds stated above and the historical cost equivalent

All of the Charitable Company's activities were derived from continuing operations during the above two financial periods

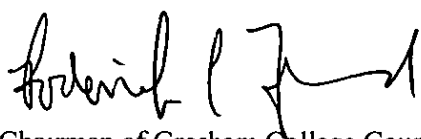
Balance sheet 31 July 2012

	Notes	2012 £	2011 £
Tangible fixed assets	12	4,842	1,409
Current assets			
Debtors	13	50,772	59,444
Cash at bank and in hand		270,472	217,560
		321,244	277,004
Creditors amounts falling due within one year	14	(71,719)	(52,505)
Net current assets		249,525	224,499
Total net assets		254,367	225,908
Represented by:			
Unrestricted funds			
General fund		76,585	51,559
Designated funds		172,940	172,940
Fixed assets fund		4,842	1,409
	15	254,367	225,908

The notes on pages 13 to 21 form an integral part of these financial statements

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities

Signed on behalf of the Council of Gresham College (Company registration number 2953431 (England and Wales)) on 22 November 2012 by



Chairman of Gresham College Council
(RODERICK FROUD)

Vice-Chairman of Council



(A N ESKENZI)



Vice-Chairman of Council

(D H HODSON)

1 Accounting policies

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006 and follow the recommendations in Accounting and Reporting by Charities Statement of Recommended Practice issued in March 2005

Incoming resources

Incoming resources are recognised in the period in which the Charitable Company is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the Charitable Company has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Incoming resources from charitable activities consist of grants to pay professors' stipends and general grants. The professors' stipends grants are used solely to pay the professors' stipends. General grants are allocated to the charitable activities of the College.

Resources expended and the basis of apportioning costs

Expenditure is included in the statement of financial activities when incurred and includes attributable VAT that cannot be recovered.

Resources expended comprise the following:

- a The costs of generating funds include staff costs and operating costs allocated on the basis of the number of events held to raise funds. It also includes the costs of publications.
- b Charitable activities comprise expenditure on the charity's primary charitable purposes as described in the Report of the Council. Such costs include:
 - ◆ Academic expenses – costs of Gresham lectures and other academic activities
 - ◆ New technology costs – costs of widening access to the Gresham lectures
- c Professors' stipends – administered and paid on behalf of the core funders
- d Governance costs comprise the costs incurred with the governance arrangements of the charity. These costs include audit, legal advice, costs associated with meeting constitutional and statutory requirements, the costs associated with the strategic management of the charity and the costs of appointing the professors.

Notes to the accounts 31 July 2012

1 Accounting policies (continued)

Resources expended and the basis of apportioning costs (continued)

Academic and related expenses are charged to the statement of financial activities when approved

Tangible fixed assets

All assets costing more than £1,000 and with an expected useful life exceeding one year are capitalised

Tangible fixed assets are capitalised and depreciated at the following annual rates in order to write them off over their estimated future lives

- | | |
|------------------------------------------|--------------------------------------------|
| ♦ Furniture and general office equipment | 33 $\frac{1}{3}$ % per annum based on cost |
| ♦ Computer and similar equipment | 33 $\frac{1}{3}$ % per annum based on cost |

Fund accounting

Restricted funds comprise monies raised for, and their use restricted to, a specific purpose, or donations subject to donor imposed conditions

Designated funds comprise monies set aside out of unrestricted general funds for specific future purposes or projects

General funds represent those monies that are freely available for application towards achieving any charitable purpose that falls within the Charitable Company's charitable objects

Leased assets

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain within the lessor, are charged to the statement of financial activities in equal amounts over the lease terms

Pension costs

The Charitable Company participates in the Superannuation Arrangements of the University of London ("SAUL"), which is a funded defined benefit scheme. The scheme is contracted-out of the Second State Pension. The scheme is valued formally every three years by professionally qualified and independent actuaries using the Projected Unit method. Informal reviews of the scheme's position are carried out between formal valuations.

Contributions in respect of the scheme are recognised in the statement of financial activities so as to spread the cost of pensions over employees' working lives. Further details on the scheme are given in note 17.

Notes to the accounts 31 July 2012

2 Administration

The Charitable Company is governed by its Memorandum and Articles of Association dated 28 July 1994, which were subsequently amended on 31 August 2004. On 1 January 1995 it took over the assets, liabilities and undertakings of Gresham College Trust, a registered charity number 283467. On behalf of the Mercers' Company, the City of London Corporation and the Mercers' School Memorial Trust it discharges their liability for the payment of stipends to the eight Gresham Professors. Under these arrangements, the accounts of the Charitable Company reflect in all respects a continuation of the activities of the predecessor body.

3 Voluntary income

	2012 £	2011 £
Donations	4,378	4,811

4 Activities for generating funds

	2012 £	2011 £
Income from lettings	4,121	6,737
Income from Academic activities	—	29,293
Publication sales and Royalties	100	336
	4,221	36,366

Donated facilities

During the year the College received sponsorship in kind in the form of donations of venues and facilities. The value of these donations of venues and facilities is not of sufficient reliability to be included in the statutory accounts, but an approximation is as below.

	2012 £
Sir Thomas Gresham Docklands Lecture	1,000
Long Finance Conferences	17,500
City of London Festival Lectures	3,000
Sullivan Song Day	3,900
Symposium on King James Bible	5,500
Symposium What Makes a Good Regulator?	2,200
Bevis Marks Synagogue lecture	3,700
St Pauls at 300 (two lectures)	1,000
Institute of Musical Research joint event	3,400
Science Museum Lectures	10,800
	52,000

5 Investment income

	2012 £	2011 £
Bank interest	816	264

Notes to the accounts 31 July 2012

6 Incoming resources from charitable activities

	Professors' stipends £	General grant £	Total 2012 £	Professors' stipends £	General grant £	Total 2011 £
Provision of lectures, seminars and conferences						
The Mercers' Company Charitable Foundation	19,750	304,000	323,750	18,750	305,000	323,750
The City of London Corporation	26,000	304,000	330,000	25,000	305,000	330,000
Mercers' School Memorial Trust	6,250	—	6,250	6,250	—	6,250
Total	52,000	608,000	660,000	50,000	610,000	660,000

7 Resources expended

	Basis of allocation	Provision of lectures, seminars and conferences £	Governance £	Total 2012 £	Total 2011 £
Staff costs (note 9)	Direct	248,072	—	248,072	231,239
Operating costs	Direct	206,984	—	206,984	232,809
Fee and lecture expenses	Direct	2,254	—	2,254	1,220
Academic expenses	Direct	101,336	—	101,336	128,428
Professors' stipends	Direct	52,000	—	52,000	50,000
Governance (note 8)	Direct	—	30,310	30,310	23,285
		610,646	30,310	640,956	666,981

8 Governance costs

	2012 £	2011 £
Legal and professional	4,435	4,780
Auditor's remuneration	6,240	6,120
Council and Academic Board, Professional insurance, Appointment of Professors	19,635	12,385
	30,310	23,285

Notes to the accounts 31 July 2012

9 Staff costs

The average number of persons employed during the year was 6 (2011 - 6)

	2012 £	2011 £
The total remuneration was		
Gross salaries	186,702	177,170
Social security costs	17,780	16,420
Pension contributions	14,733	14,304
	<u>219,215</u>	<u>207,894</u>
Accounting support	11,687	15,149
Other costs	17,170	8,196
	<u>248,072</u>	<u>231,239</u>

No employee earned £60,000 per annum or more in 2011 or 2012

Professor Sir Roderick Floud FBA is a Member of Council and received remuneration totalling £30,310 (2011 - £28,892) for his services as Provost. One other Member of Council was a Gresham Professor during the period and received Professors' Stipends of £6,250. None of the members of council received any remuneration in respect of their services as members of council during the period.

Two Members of Council (2011 – two) were reimbursed travel expenses of £645 (2011-£966) for travel to lectures, accommodation and attendance at Council, Academic Board meetings and interviews for new Professor appointments during the year.

10 Net movement in the year

This is stated after charging

	2012 £	2011 £
Depreciation of tangible fixed assets	3,017	4,600
Operating lease charges		
Land and buildings	27,352	27,000
Plant and machinery	16,000	15,833
Auditors' remuneration		
Current year audit fee	6,240	6,120
Non-audit services - Accountancy	11,687	15,149
- Other	2,752	2,231

11 Taxation

As a registered charity, Gresham College is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

Notes to the accounts 31 July 2012

12 Tangible fixed assets

	New technology and office equipment £
Cost	
At 1 August 2011	164,201
Additions	6,450
Disposals*	(159,656)
At 31 July 2012	10,685
Depreciation	
At 1 August 2011	162,792
Charge for the year	3,017
Disposals*	(159,656)
At 31 July 2012	5,843
Net book value	
At 31 July 2012	4,842
At 31 July 2011	1,409

*All disposals relate to fully depreciated tangible fixed assets that are no longer in use by the College. They have, therefore, been written out of tangible fixed assets.

13 Debtors

	2012 £	2011 £
Lettings debtor	—	330
Other debtor	25	142
Prepayments	50,747	58,972
	50,772	59,444

14 Creditors: amounts falling due within one year

	2012 £	2011 £
Accruals and deferred income	65,228	47,551
Taxation and social security	5,111	4,954
Other creditors	1,380	—
	71,719	52,505

Notes to the accounts 31 July 2012

15 Total Funds

	At 1 August 2011 £	Net movement in funds £	New designations/ released £	At 31 July 2012 £
(a) Unrestricted funds				
General fund	51,559	28,459	(3,433)	76,585
Designated funds, Minimum reserves	153,500	—	—	153,500
Future events and projects	6,757	—	—	6,757
Future website/IT upgrades	12,683	—	—	12,683
Total designated funds	172,940	—	—	172,940
Fixed asset fund	1,409	—	3,433	4,842
Total unrestricted funds	225,908	28,459	—	254,367

(a) Unrestricted funds

Designated funds represent the minimum reserve required by Council – 4 months operational and academic support costs – including provision for paying committed academic and staff costs should the College be wound up. The Council have set the designated fund at a constant level of £153,500 until the end of 2012.

Funds for core annual events and projects spanning more than one year are reviewed and accounted for at year-end.

16 Operating lease commitments

At 31 July 2012 the Charitable Company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Plant and machinery	
	2012 £	2011 £	2012 £	2011 £
Operating lease expiring				
Within one year	—	27,000	—	—
Within two to five years	35,000	—	16,000	16,000

Notes to the accounts 31 July 2012

17 Pension commitments

The charitable company participates in a centralised defined benefit scheme for all qualified employees with the assets held in separate Trustee-administered funds. The charitable company has now adopted FRS17 for accounting for pension costs. It is not possible to identify the share of the underlying assets and liabilities of SAUL. Therefore contributions are accounted for as if SAUL were a defined contribution scheme and pension costs are based on the amounts actually paid (ie cash amounts) in accordance with paragraphs 8 – 12 of FRS17.

SAUL is subject to triennial valuations by professionally qualified and independent actuaries. The last available valuation was carried out as at 31 March 2011 using the projected unit credit method in which the actuarial liability makes allowance for projected earnings. The main assumptions used to assess the technical provisions were

	31 March 2011
Discount rate	6.80% p.a.
– pre-retirement	4.70% p.a.
– post-retirement	
General* Salary Increases	3.75% p.a. until 31 March 2014, 4.50% p.a. thereafter
Retail Prices Index inflation (RPI)	3.50% p.a.
Consumer Price Index Inflation (CPI)	2.80% p.a.
Pension Increases in payment (excess over GMP)	2.80% p.a.
Mortality – base table	SAPS Normal (year of birth) tables with an age rating of +0.5 years for males and -0.4 years for females
Mortality – future improvements	Future improvements in line with CMI 2010 projections with a long term trend rate of 1.25% p.a.

*an additional allowance is made for promotional Salary increases

The actuarial valuation applies to SAUL as a whole and does not identify surpluses or deficits applicable to individual employers. As a whole, the market value of SAUL's assets was £1,506 million representing 95% of the liability for benefits after allowing for expected future increases in salaries.

Based on the strength of the Employer covenant and the Trustee's long-term investment strategy, the Trustee and the Employers agreed to maintain Employer and Member contributions at 13% of Salaries and 6% of Salaries respectively following the valuation. The above rates will be reviewed when the results of the next formal valuation (as at 31 March 2014) are known.

A comparison of SAUL's assets and liabilities calculated using assumptions consistent with FRS17 revealed SAUL to be in deficit at the last formal valuation date (31 March 2011). As part of this valuation, the Trustee and Employer have agreed that no additional contributions will be required to eliminate the current shortfall.

Notes to the accounts 31 July 2012

17 Pension commitments (continued)

The more material changes (the introduction of a Career Average Revalued Earnings, or “CARE”, benefit structure) to SAUL’s benefit structure will apply from 1 July 2012. As a consequence, the cost of benefit accrual is expected to fall as existing final salary members are replaced by new members joining the CARE structure. This will allow an increasing proportion of the expected asset return to be used to eliminate the funding shortfall. Based on conditions as at 31 March 2011, the shortfall is expected to be eliminated by 31 March 2021, which is 10 years from the valuation date.

Pensions contributions charged to the statement of financial activities during the year amounted to £14,733 (2011 - £14,304).

18 Donated income

During the year the College received from the European Science Foundation (ESF) £8,345 (2011 – £8,113). Professor Sir Roderick Floud, a co-opted member of the Council and Provost, had directed this money to the benefit of the College from his work linking with the ESF. Professor Sir Roderick Floud was reimbursed the sum of £3,967 (2011 – £3,652) for travel expenses for working on behalf of the College and the ESF and the balance of £4,378 (2011 – £4,461) was accounted for as a donation to the College from the ESF.