



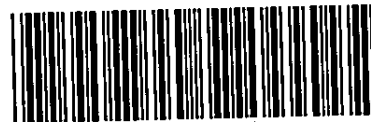
**Annual Report and Accounts**

**31 July 2013**

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

Charity Registration Number  
1039962

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29/11/2013

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## Reference and administrative information

|                             |   |
|-----------------------------|---|
| Members of Council          | Profesor W Ayliffe<br>Professor G Brock<br>Dr A Burnett<br>Mr J C Carrington<br>Professor F Cox<br>Mrs X Dennen<br>Mr S Duckworth DL<br>Mr A N Eskenzi CBE<br>Mr R A Eve OBE<br>Professor Sir R Floud FBA<br>Mr D H Hodson<br>Mr T Hoffman<br>Professor M Mainelli<br>Mrs M McGregor<br>Mr R M H Wathen |
| Provost                     | Professor Sir Roderick Floud FBA  |
| Company Secretary           | Dr V Shrimplin (Appointed 1 September 2012)   |
| Registered office           | Barnard's Inn Hall<br>Holborn<br>London<br>EC1N 2HH   |
| Company registration number | 2953431 (England and Wales)   |
| Charity registration number | 1039962   |
| Auditor                     | Buzzacott LLP<br>130 Wood Street<br>London<br>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 2013**

### **Report of the Council 31 July 2013**

The Members of the Council, who are the Directors of the Company, present their Report Audited Accounts for the year ended 31 July 2013 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, delivered 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**

In line with the vision of the Founder and the current mission and objectives of Gresham College, performance and achievements during 2012-13 continue to develop steadily. Attendance at Gresham lectures continued to increase in 2012-13 with 20,609 attendees in person (not counting the 'Science Museum Lates'), compared with 19,532 in 2011-12 (not including the 'Lates'), showing a steady increase. This includes events held in the auditorium at the Museum of London, as well as those held at Barnard's Inn Hall and special venues used last year such as the Royal College of Surgeons, the Guildhall and the Stationers' Hall. The total number of attendances at the Science Museum Lates declined somewhat overall because fewer speakers were provided by Gresham College for Science events. In fact, attendance (in person) at Gresham College events was so popular that during the winter months 343 people had to be turned away from events between September and February, but this did not recur later in the year. The 'one-off' lecture on the 150<sup>th</sup> anniversary of the London Underground attracted the largest audience, with about 50 people having to be turned away.

## Report of the Council 31 July 2013

In contrast to the general increases in the number of attendances at events (where spaces are limited), the total views/downloads across our online dissemination platforms (YouTube, Vimeo and Blip tv) increased far more dramatically over the year, rising from 922,417 views during the previous year (June 2011 – July 2012) to 1,956,417 views for the current year (June 2012 – July 2013). For example, the total views for June 2013 were 158,385, compared with 83,636 for June 2012, an increase of 89%. There was a slight, albeit expected, seasonal downturn in views at the end of the academic year, also reflected in a similar decrease in average views per video in the holiday period. The College is looking to rectify this downturn with the release of shorter lecture extract videos over the coming months. The past year also saw the development and implementation of an ‘app’ for mobile devices (iPhone, iPad, Android Phone and Tablet) which is now available to all to download for free (in the spirit of Sir Thomas’s vision). Initial reactions have been positive with users commenting on how an ‘ancient institution’ has embraced modernity in just the right way with an app that is easy to navigate with a wealth of interesting content. The app is available at either the Apple store or Google Play.

The range and quality of lectures has been upheld with an excellent programme delivered by the Gresham Professors and Visiting Professors, as well as a number of distinguished individual speakers. In addition, there were also a number of high profile conferences and seminars. Some highlights of the programme in the last part of the year were the late addition of a lecture by Professor Steve Jones, on *Genetics*, two short musical series with live performances to mark the Benjamin Britten centenary, *Armageddon in Cyberspace* (held at the Stationers’ Hall), the Special Lecture by Sir Richard Lambert on *The New Face of Europe*, the Provost’s lecture on *Making and Running Great Gardens 1700-1900*, the Lord Mayor’s *Annual Lecture* and the *Gray’s Inn Reading* by Lord Goldsmith. Music events by the Gresham Professor of Music, Professor Christopher Hogwood, were particularly successful and well attended (held at Christ Church Spitalfields). In addition, various seminars and symposia were held, including the areas of *John Graunt’s Bills of Mortality*, *Middle Class recruits to Communism*, *Conflict Resolution*, *Roles in Philanthropy*, *Power and Politics* and *What makes a Good Professional?*

Traditional links with the London Mathematical Society, the Royal Historical Society, the British Society for the History of Mathematics and others were maintained, again resulting in excellent lectures and events. The Mondays at One lunchtime series continued successfully, as did the ‘Collections’ series, and the Long Finance events and Autumn and Spring Conferences (the latter hosted by the Bank of America, Merrill Lynch) are also worthy of note. There was, as usual, extensive involvement with the City of London Festival in June and July 2013, the Bishop of London’s lecture on *The Tree of Life* being particularly well attended.

The continued high profile of Professors and speakers and the quality of their lectures is demonstrated not only by the lectures themselves and the online and in-person attendance figures but also by press interest in many of the events. It is also demonstrated by the large number of high quality applicants (over 60) for the Gresham Professorship of Rhetoric which attracted applications from top institutions all over the world. Professor Belinda Jack (Christ Church Oxford) was appointed as Professor of Rhetoric. Two additional Visiting Professors have been appointed (Jane Caplan for History and Lynda Nead for History of Art). Such appointments serve to enhance the already excellent reputation of the College.

## Report of the Council 31 July 2013

Apart from the lecture programme, other activities for 2012-13 included the development of a proposal for a new Funding Agreement (now approved with effect from 1 August 2014), the production of a Gresham College Handbook (representing a compilation of all existing procedures and documentation, revised and 'refreshed' as appropriate) and an audience survey undertaken in December 2012- January 2013 to feed into the monitoring and review of provision

Some sponsorship was obtained in the form of gifts in kind (from the Corporation, the Mercers and the Stationers) and the College is looking forward to the future development of the 'Jackson Foundation Chair of the Environment', to be in place from 2014

### Financial Review

The financial results of the College's operations are shown on page 12. Total expenditure was £714,214 (2012 - £640,956). This included the cost of developing the smartphone and tablet app totalling £34,275. The College's core income was increased in line with RPI to £678,808 (2012 - £660,000), this was supplemented by lettings of the Hall to outside bodies and income from joint academic activities. With total income in 2012-13 of £695,173 (2012 - £669,415), the College achieved a modest surplus of income over expenditure of £15,204 (2012 - surplus of £28,459), before charging the cost of developing the app. This resulted in an overall deficit of £19,071 (2012 - surplus 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 2012-13 each event cost on average £4,311 including overheads, a decrease of 2.5% on 2011-12 (£4,420). 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 2012-13 sponsorship in cash for lecture services included Provost's donation of £10,199 (2012 - £4,378), Joseph Rowntree of £2,500 (2012 - £4,815) plus other donations totalling £150 (2012 - nil). Donations of venues and facilities were received to a value in-kind of over £41,500 (2012 - £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).

## **Report of the Council 31 July 2013**

### **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.

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 took 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 £153,500 (2012 - £153,500). At year-end, minimum reserves (included within designated funds) plus the general fund totalled £226,879 (2012 - £230,085) and so reserves were £73,379 (2012 - £76,585) above the required minimum – close to the level required by the core funders. The College also accumulated a modest designated fund balance for App Development.

### **Plans for the future**

Following the development of the smartphone and tablet app and 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.

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, may well 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 is Mr D H Hodson.



## Report of the Council 31 July 2013

### 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 (2012 - £1,330) and provides cover of up to a maximum of £1 million (2012 - £1 million)

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

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#### 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

Mr Tom Hoffman Appointed 21 July 2009

#### Appointed by the Mercers' Company

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

Mr Robin A Eve OBE Appointed 1 August 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

#### Gresham Professors

Professor Frank Cox Appointed 1 September 2011

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### 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 2013**

### **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 (who are the Directors of Gresham College for the purposes of company law) 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 Statement of Recommended Practice (Accounting and Reporting by Charities) (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 proper 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 2013

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 auditor is 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 auditor is 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 21/11/13

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



Valerie Shrimplin  
Company Secretary

## **Independent auditor's report 31 July 2013**

### **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 2013 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 misstatements or inconsistencies we consider the implications for our report.

## **Independent auditor's report 31 July 2013**

### **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 2013 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

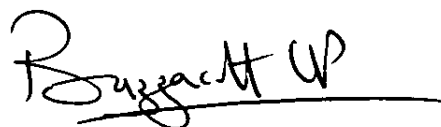
### **Opinion on other matter prescribed by the Companies Act 2006**

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

28 November 2013

# Statement of financial activities Year to 31 July 2013

|   | Notes | Unrestricted<br>£ | Restricted<br>£ | Total<br>2013<br>£ | Total<br>2012<br>£ |
|---|-------|-------------------|-----------------|--------------------|--------------------|
| <b>Income and expenditure</b>                         |       |                   |                 |                    |                    |
| <b>Incoming resources</b>                             |       |                   |                 |                    |                    |
| Incoming resources from generated funds               |       |                   |                 |                    |                    |
| Voluntary income                                      | 3     | 12,749            | —               | 12,749             | 4,378              |
| Activities for generating funds                       | 4     | 2,631             | —               | 2,631              | 4,221              |
| Investment income                                     | 5     | 985               | —               | 985                | 816                |
| Incoming resources for charitable activities          |       |                   |                 |                    |                    |
| Provision of lectures, seminars and conferences       | 6     | 678,808           | —               | 678,808            | 660,000            |
| <b>Total incoming resources</b>                       |       | <b>695,173</b>    | <b>—</b>        | <b>695,173</b>     | <b>669,415</b>     |
| <b>Resources expended</b>                             |       |                   |                 |                    |                    |
| Charitable activities                                 |       |                   |                 |                    |                    |
| Provision of lectures, seminars and conferences       |       | 684,572           | —               | 684,572            | 610,646            |
| Governance costs                                      | 8     | 29,672            | —               | 29,672             | 30,310             |
| <b>Total resources expended</b>                       | 7     | <b>714,244</b>    | <b>—</b>        | <b>714,244</b>     | <b>640,956</b>     |
| <b>Net movement in funds/net (expenditure) income</b> | 10    | <b>(19,071)</b>   | <b>—</b>        | <b>(19,071)</b>    | <b>28,459</b>      |
| <b>Balance brought forward at 1 August 2012</b>       |       | <b>254,367</b>    | <b>—</b>        | <b>254,367</b>     | <b>225,908</b>     |
| <b>Balance carried forward at 31 July 2013</b>        |       | <b>235,296</b>    | <b>—</b>        | <b>235,296</b>     | <b>254,367</b>     |

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

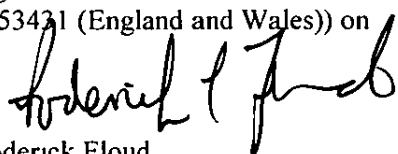
## Balance sheet 31 July 2013

|  | Notes | 2013<br>£       | 2012<br>£       |
|--|-------|-----------------|-----------------|
| <b>Tangible fixed assets</b>                         | 12    | <b>2,692</b>    | <b>4,842</b>    |
| <b>Current assets</b>                                |       |                 |                 |
| Debtors  | 13    | 25,987          | 50,772          |
| Cash at bank and in hand                             |       | 242,073         | 270,472         |
|  |       | <b>268,060</b>  | <b>321,244</b>  |
| <b>Creditors</b> amounts falling due within one year | 14    | <b>(35,456)</b> | <b>(71,719)</b> |
| <b>Net current assets</b>                            |       | <b>232,604</b>  | <b>249,525</b>  |
| <b>Total net assets</b>                              |       | <b>235,296</b>  | <b>254,367</b>  |
| <b>Represented by</b>                                |       |                 |                 |
| Unrestricted funds                                   |       |                 |                 |
| General fund   |       | 73,379          | 76,585          |
| Designated funds                                     |       | 159,225         | 172,940         |
| Fixed assets fund                                    |       | 2,692           | 4,842           |
|  | 15    | <b>235,296</b>  | <b>254,367</b>  |

The notes on pages 14 to 22 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 21/11/2013 by



Roderick Floud  
Chairman of Gresham College Council



D Hodson  
Vice-Chairman of Council



A N Eskenzi  
Vice-Chairman of Council

## Notes to the accounts 31 July 2013

### 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 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
- b Professors' stipends – administered and paid on behalf of the core funders
- c 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.

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



## Notes to the accounts 31 July 2013

### 1 Accounting policies (continued)

#### 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 credit method. Informal reviews of the scheme's position are carried out between formal valuations.

It is not possible to identify Gresham College's share of the underlying assets and liabilities of the scheme. Therefore contributions are accounted for as if the scheme were a defined contribution scheme and pension costs are based on the amounts actually paid. Further details on the scheme are given in note 17.

## Notes to the accounts 31 July 2013

### 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

|           | 2013<br>£ | 2012<br>£ |
|-----------|-----------|-----------|
| Donations | 12,749    | 4,378     |

### 4 Activities for generating funds

|                                 | 2013<br>£ | 2012<br>£ |
|---------------------------------|-----------|-----------|
| Income from lettings            | 2,485     | 4,121     |
| Publication sales and Royalties | 146       | 100       |
|                                 | 2,631     | 4,221     |

#### 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.

|  | 2013<br>£ |
|--|-----------|
| Lecture by Professor W Ayliffe – St Bartholomew's Hospital | 2,000     |
| Sir Thomas Gresham Docklands Lecture                       | 1,000     |
| Long Finance Conferences                                   | 18,000    |
| City of London Festival Lectures                           | 6,000     |
| Science Museum Lectures                                    | 9,000     |
| Lecture by Professor Ranald Michie – Guildhall Library     | 1,000     |
| Cyberspace Symposium – Stationers' Hall                    | 4,500     |
|  | 41,500    |

### 5 Investment income

|               | 2013<br>£ | 2012<br>£ |
|---------------|-----------|-----------|
| Bank interest | 985       | 816       |

## Notes to the accounts 31 July 2013

### 6 Incoming resources from charitable activities

|  | Professors' stipends<br>£ | General grant<br>£ | Total<br>2013<br>£ | Professors' stipends<br>£ | General grant<br>£ | Total<br>2012<br>£ |
|--|---------------------------|--------------------|--------------------|---------------------------|--------------------|--------------------|
| <b>Provision of lectures, seminars and conferences</b> |                           |                    |                    |                           |                    |                    |
| The Mercers' Company Charitable Foundation             | 20,625                    | 312,443            | 333,068            | 19,750                    | 304,000            | 323,750            |
| The City of London Corporation                         | 27,125                    | 312,115            | 339,240            | 26,000                    | 304,000            | 330,000            |
| Mercers' School Memorial Trust                         | 6,500                     | —                  | 6,500              | 6,250                     | —                  | 6,250              |
|  | 54,250                    | 624,558            | 678,808            | 52,000                    | 608,000            | 660,000            |

### 7 Resources expended

|                          | Basis of allocation | Provision of lectures, seminars and conferences<br>£ | Governance<br>£ | Total<br>2013<br>£ | Total<br>2012<br>£ |
|--------------------------|---------------------|--|-----------------|--------------------|--------------------|
| Staff costs (note 9)     | Direct              | 250,645  | —               | 250,645            | 248,072            |
| Operating costs          | Direct              | 264,043  | —               | 264,043            | 206,984            |
| Fee and lecture expenses | Direct              | 828  | —               | 828                | 2,254              |
| Academic expenses        | Direct              | 114,806  | —               | 114,806            | 101,336            |
| Professors' stipends     | Direct              | 54,250   | —               | 54,250             | 52,000             |
| Governance (note 8)      | Direct              | —  | 29,672          | 29,672             | 30,310             |
|                          |                     | 684,572  | 29,672          | 714,244            | 640,956            |

### 8 Governance costs

|   | 2013<br>£ | 2012<br>£ |
|---|-----------|-----------|
| Legal and professional  | 4,661     | 4,435     |
| Auditor's remuneration  | 6,800     | 6,240     |
| Council and Academic Board, Professional insurance, Appointment of Professors | 18,211    | 19,635    |
|   | 29,672    | 30,310    |

## Notes to the accounts 31 July 2013

### 9 Staff costs

The average number of persons employed during the year was 6 (2012 - 6)

|                            | 2013<br>£      | 2012<br>£      |
|----------------------------|----------------|----------------|
| The total remuneration was |                |                |
| Gross salaries             | 196,844        | 186,702        |
| Social security costs      | 18,798         | 17,780         |
| Pension contributions      | 14,458         | 14,733         |
|                            | <u>230,100</u> | <u>219,215</u> |
| Accounting support         | 13,685         | 11,687         |
| Other costs                | 6,860          | 17,170         |
|                            | <u>250,645</u> | <u>248,072</u> |

No employee earned £60,000 per annum or more in 2012 or 2013

Professor Sir Roderick Floud FBA is a Member of Council and received remuneration totalling £31,220 (2012 - £30,310) for his services as Provost. One other Member of Council was a Gresham Professor during the year and received Professors' Stipends of £6,781 (2012 - £6,250). None of the members of Council received any remuneration in respect of their services as members of Council during the year.

No Members of Council (2012 – two) were reimbursed travel expenses (2012 - £645) 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

|                                       | 2013<br>£ | 2012<br>£ |
|---------------------------------------|-----------|-----------|
| Depreciation of tangible fixed assets | 2,150     | 3,017     |
| Operating lease charges               |           |           |
| Land and buildings                    | 35,000    | 27,352    |
| Plant and machinery                   | 16,000    | 16,000    |
| Auditors' remuneration                |           |           |
| Current year audit fee                | 6,800     | 6,240     |
| Non-audit services                    | 2,963     | 2,752     |

### 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 2013

### 12 Tangible fixed assets

|                        | New<br>technology<br>and office<br>equipment<br>£ |
|------------------------|---|
| <b>Cost</b>            |   |
| At 1 August 2012       | 10,685  |
| Additions              | —   |
| <b>At 31 July 2013</b> | <b>10,685</b>                                     |
| <b>Depreciation</b>    |   |
| At 1 August 2012       | 5,843   |
| Charge for the year    | 2,150   |
| <b>At 31 July 2013</b> | <b>7,993</b>                                      |
| <b>Net book value</b>  |   |
| <b>At 31 July 2013</b> | <b>2,692</b>                                      |
| <b>At 31 July 2012</b> | <b>4,842</b>                                      |

### 13 Debtors

|              | 2013<br>£     | 2012<br>£     |
|--------------|---------------|---------------|
| Other debtor | —             | 25            |
| Prepayments  | 25,987        | 50,747        |
|              | <b>25,987</b> | <b>50,772</b> |

### 14 Creditors: amounts falling due within one year

|                              | 2013<br>£     | 2012<br>£     |
|------------------------------|---------------|---------------|
| Accruals and deferred income | 26,957        | 65,228        |
| Taxation and social security | 5,919         | 5,111         |
| Other creditors              | 2,580         | 1,380         |
|                              | <b>35,456</b> | <b>71,719</b> |

## Notes to the accounts 31 July 2013

### 15 Total Funds

|                                 | At 1<br>August<br>2012<br>£ | Net<br>movement<br>in funds<br>£ | New<br>designations/<br>released<br>£ | At<br>31 July<br>2013<br>£ |
|---------------------------------|-----------------------------|----------------------------------|---------------------------------------|----------------------------|
| <b>General fund</b>             | <b>76,585</b>               | <b>15,204</b>                    | <b>(18,410)</b>                       | <b>73,379</b>              |
| <b>Designated funds,</b>        |                             |                                  |                                       |                            |
| Minimum reserves                | 153,500                     | —                                | —                                     | 153,500                    |
| Future events and projects      | 6,757                       | —                                | (6,757)                               | —                          |
| Future website/IT upgrades      | 12,683                      | —                                | (12,683)                              | —                          |
| APP Development                 | —                           | (34,275)                         | 40,000                                | 5,725                      |
| <b>Total designated funds</b>   | <b>172,940</b>              | <b>(34,275)</b>                  | <b>20,560</b>                         | <b>159,225</b>             |
| <b>Fixed assets fund</b>        | <b>4,842</b>                | <b>—</b>                         | <b>(2,150)</b>                        | <b>2,692</b>               |
| <b>Total unrestricted funds</b> | <b>254,367</b>              | <b>(19,071)</b>                  | <b>—</b>                              | <b>235,296</b>             |

Designated funds include 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 2013.

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

The tangible fixed assets fund represents the net book value of the College's tangible fixed assets.

### 16 Operating lease commitments

At 31 July 2013 the Charitable Company had annual commitments under non-cancellable operating leases as follows:

|                          | Land and buildings |           | Plant and machinery |           |
|--------------------------|--------------------|-----------|---------------------|-----------|
|                          | 2013<br>£          | 2012<br>£ | 2013<br>£           | 2012<br>£ |
| Operating lease expiring |                    |           |                     |           |
| Within two to five years | 35,000             | 35,000    | 16,000              | 16,000    |

## Notes to the accounts 31 July 2013

### 17 Pension commitments

Gresham College participates in a centralised defined benefit scheme for all qualified employees with the assets held in separate Trustee-administered funds. Gresham College has now adopted FRS17 for accounting for pension costs. It is not possible to identify the Gresham College's 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                                  |  |
| – pre-retirement                               | 6.80% p.a.   |
| – post-retirement                              | 4.70% p.a.   |
| 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 2013

### 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 applied 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 £14,458 (2012 - £14,733).

### 18 Donated income

During the year the College received from the European Science Foundation (ESF) £12,200 (2012 – £8,345). 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 £2,001 (2012 – £3,967) for travel expenses for working on behalf of the College and the ESF and the balance of £10,199 (2012 – £4,378) was accounted for as a donation to the College from the ESF.