

Hertford College

Annual Report and Financial Statements

Year ended 31st July 2019

Hertford College
Annual Report and Financial Statements for the year ended 31st July 2019

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Hertford College
Governing Body, Officers and Advisers
Year ended 31st July 2019

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 Governors during the year are detailed below.

Governing Body Fellow	College Officers	In year change	(1)	(2)	(3)	(4)	(5)
Professor L F Alday		To 4/3/19	•	•			
Professor E Baldwin							
Professor H Bayley							
Professor R N E Barton							
Dr T Boneva							
Professor C D Brewer							
Professor E Chatzis			•				
Mr J K Clark	Bursar			•	•	•	•
Dr B F Coxon							
Professor Z F Cui							
Professor A Doucet							
Professor F Duarte		From 15/10/18					
Dr D Dwan						•	•
Professor B M Frellesvig	Tutor for Graduates	Tutor for Graduates from 13/3/19	•		•	•	
Dr A Galanis		From 1/9/18					
Dr K Greasley		From 1/8/18					
Professor D Greaves				•			
Professor D M Hopkin	Senior Tutor		•	•	•	•	
Mr W N Hutton	Principal		•	•	•	•	•
Dr J Kiaer							
Professor A G Lauder	Dean of Degrees						
Professor P Ligoxygakis		From 1/9/18					
Dr J Lorimer				•		•	
Dr K Lunn-Rockliffe						•	
Professor I McBride							
Professor M Maiden	Tutor for Graduates	Tutor for Graduates till 13/3/19	•		•	•	
Professor P J R Millican			•		•		
Dr S J New	Student Conduct Officer			•			

Hertford College
Governing Body, Officers and Advisers
Year ended 31st July 2019

Governing Body Fellow	College Officers	In year change	(1)	(2)	(3)	(4)	(5)
Dr O J Noble Wood	SCR Steward						•
Professor S Parameswaran						•	
Dr C Redford		Until 11/1/19					
Professor P F Roche	Investment Bursar			•	•	•	
Professor R Sitsapesan		Until 30/6/19					•
Dr L Slater		From 1/8/18					
Professor E Smith	Tutor for Equality & Diversity, & Fellow Librarian		•		•	•	•
Professor G Sternberg			•				
Ms J Thaxton	Director of Development				•		
Professor D Thomas				•			
Professor C Tyerman	Fellow Archivist				•		
Professor C Vallance						•	
Professor T Wilson							
Professor M Wooldridge							
Professor A C S Woollard	Dean					•	•
Professor G Wright		From 1/9/18					
Professor R G Zubek			•				

During the year the activities of the Governing Body were carried out through six committees. The membership of these committees during the academic year 2017/18 is shown above for each Fellow.

- (1) Academic Committee
- (2) Treasury Committee
- (3) Development Committee
- (4) General Purposes Committee
- (5) Domus Committee

COLLEGE SENIOR STAFF

The senior staff of the College to whom day to day management is delegated and who are regarded as Key Management Personnel are as follows.

Deputy Bursar	<i>Mr Graham May</i>
Domestic Bursar	<i>Mr Gareth Tebbutt</i>
Registrar and Director of Admissions	<i>Ms Lynn Featherstone</i>

Hertford College
Governing Body, Officers and Advisers
Year ended 31st July 2019

COLLEGE ADVISERS

Investment managers

Rathbones Investment Management Ltd
8 Finsbury Circus
London
EC2M 7AZ

Oxford University Endowment Management
King Charles House
Park End Street
Oxford
OX1 1JD

Auditor

Crowe U.K. LLP
St Bride's House
10 Salisbury Square
London EC4Y 8EH

Bankers

Barclays Bank PLC
Oxford City Branch
PO Box 333
Oxford OX1 3HS

Solicitors

Knights 1759
Midland House
West Way
Botley
Oxford
OX2 0PH
United Kingdom

College address

Hertford College
Catte street
Oxford OX1 3BW

Website

www.hertford.ox.ac.uk

HERTFORD COLLEGE**Report of the Governing Body****Year ended 31 July 2019**

REPORT OF THE GOVERNING BODY

The Members of the Governing Body present their Annual Report for the year ended 31st July 2019 under the Charities Act 2011 together with the audited financial statements for the year.

REFERENCE AND ADMINISTRATIVE INFORMATION

The Principal Fellows and Scholars of Hertford College in the University of Oxford, which is known as Hertford College ("the College"), is an eleemosynary chartered charitable corporation aggregate. The College was founded by an Act of Parliament in 1874 that incorporated Magdalen Hall as Hertford College. An Act of Parliament of 1816 had granted Magdalen Hall the site and residual possessions of an earlier, by then defunct, Hertford College. This had received a Royal Charter in 1740, being the successor to Hart Hall which claimed its origins in a hall of residence established by Elias de Hertford c. 1282. The College registered with the Charities Commission on 17th August 2010 (registered number 1137527).

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 advisers of the College, are given on pages 2 to 3.

STRUCTURE, GOVERNANCE AND MANAGEMENT**Governing documents**

The College is governed by its Statutes made under the provision of the Oxford and Cambridge act 1923 and approved by Order in Council on 12th October 2011.

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 Chancellor of The University of Oxford. New members of the Governing Body are elected by the votes of not less than two thirds of the total number of Fellows and with the consent of the Principal.

The Governing Body determines the on-going 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 Principal and is advised by committees.

Recruitment and training of Members of the Governing Body

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

Members of the Governing Body can attend trustee information briefings to keep them informed of their duties as trustees and about regulatory requirements.

Remuneration of Members of the Governing Body and Senior College Staff

Members of the Governing Body receive no remuneration or benefits from their trusteeship of the College. Those members that 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 Remuneration Committee. Where possible and relevant, remuneration is set in line with that awarded to the University's academic staff. All staff are all remunerated at a level which equals or exceeds the National Living Wage.

The remuneration of senior college staff is set by the Treasury Committee in line with guidelines set by the Remuneration Committee by reference to the annual (anonymised) survey of College Officers and Fellows' Benefits conducted by the University and Conference of Colleges.

HERTFORD COLLEGE

Report of the Governing Body

Year ended 31 July 2019

Organisational management

The members of the Governing Body meet at least six times a year (ten meetings in the financial year under review). The main work of developing their policies and monitoring their implementation is carried out by various committees:

- Academic Committee: advises and reports to Governing Body on all matters relating to academic policy and has oversight of the academic reputation of the College in all its aspects.
- Treasury Committee: has oversight of the College's finances and investments and reports to Governing Body on the effectiveness and propriety of the College's financial management.
- Development Committee: leads on the development of the strategy for the College's development activities, identifies funding priorities within the framework of the College's strategic plan and liaises with the Treasury Committee to oversee the performance and financial management of the Development Office.
- General Purposes Committee: receives reports from and provides support to the Principal on College business in his role as its representative within the University and the wider world. The Committee receives nominations for College Offices and the membership of committees.
- Domus Committee: has oversight of the domestic management of the College.
- Remuneration Committee: consists of four persons not in receipt of remuneration from the College of which three are not members of Governing Body. The Committee makes recommendations to the Governing Body on Fellows' allowances and College Officers' stipends.

The day-to-day running of the College is delegated to the Bursar, supported by the Deputy and Home Bursars. The Bursar attends all meetings of the Governing Body's Committees, with the exception of Academic Committee.

Group structure and relationships

The College administers a number of special trusts, as detailed in Notes 16 and 17 to the financial statements.

The College has a wholly-owned non-charitable subsidiary, Hertford College Programmes, which started trading on 1st August 2010 and whose annual profits are donated to the College under the Gift Aid Scheme. The subsidiary's trading activities primarily comprise conferences and English Language programmes which use the College's facilities when not in use by the College.

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 public learning by the provision of a college in the University of Oxford.

The Governing Body has considered the Charity Commission's guidance on public benefit and, in keeping with its objects, the College's aims for the public benefit are to:

- Promote excellence in undergraduate education, including pastoral and academic support,
- Make that excellence accessible to all who can benefit from it regardless of their social or economic background,
- Provide pastoral and academic support to graduate students, and
- Promote excellence in research on the part of its Fellows and Stipendiary Lecturers.

HERTFORD COLLEGE

Report of the Governing Body

Year ended 31 July 2019

The aim of the College's subsidiary is to help to fund the achievement of the College's aims as above.

The College remains committed to the aim of providing public benefit in accordance with its founding principles. The College's Public Benefit Statement is published on the College website.

The College advances public learning by providing higher education to undergraduate and postgraduate students within Oxford University and by supporting the pursuit of publicly disseminated research. The College currently has approximately 408 undergraduates, 262 postgraduates, and 47 fellows who have contractual obligations to teach and to research. The College provides public benefit by offering higher education to its undergraduates, much of it via the tutorial system which provides the opportunity to meet with a tutor on a weekly basis during term time. In addition, the College provides classes, seminars and other forms of teaching as appropriate, in conjunction with the University's departments. To support student learning, the College also provides the use of the College's library and accommodation and actively promotes the wider cultural and social education of its students through the provision of computer, sports, careers advice and other facilities.

Graduates at the College form an important part of the academic community. While they are taught at their University Faculty, every graduate student is assigned a College Graduate Adviser who provides pastoral support.

The College also advances research in a range of disciplines by employing academics who have a contractual obligation to undertake published research, and providing them with a supportive academic atmosphere, including the provision of research grants, library and computer facilities, office accommodation and meals. The high levels of research activity by College fellows have been audited by the 2014 Research Excellence Framework; research is disseminated through published papers, books, websites and lectures. The College supports the research of academics who, at the beginning of their careers, have already shown outstanding promise in their chosen field of research by providing a fully funded Junior Research or Career Development Fellowship for a period of up to three years to enable the holders to concentrate solely on their topic of research.

The College offers undergraduate places on the basis of academic merit. The College aims to attract the students who are most able to benefit from an Oxford education regardless of sex, gender, income, ethnic origin, religion, previous educational opportunity, or disability, and actively works to recruit students from non-traditional backgrounds by encouraging applications from under-represented groups.

Financial support is available to undergraduates from the UK or the EU to assist them with the costs of tuition fees and living costs whilst at the College. In addition to the student loans provided by the Student Loans Company that are available to undergraduates from within the EU, other financial support from the University and the College is available to undergraduates who are from households where income is below a certain level. A range of financial support is also available to Graduate students.

- **Oxford Bursaries** are available to UK undergraduates from households assessed as having a sufficiently low income. In the 2018/19 academic year, 83 of the College's undergraduates received an Oxford Opportunity Bursary funded jointly by the University and the College.
- In 2011/12 the College introduced a **Hertford Undergraduate Bursary** of £1,000, payable to most undergraduates eligible for an Oxford Opportunity Bursary. This bursary was extended to EU students in 2012/13. In 2018/19, 103 Hertford students were awarded the Hertford Undergraduate Bursary.
- The College has a **Student Support Fund** which makes grants to both undergraduate and graduate students who experience unexpected financial hardship. In 2018/19 the College distributed £6k to support students in this way.
- The College supports the cost of accommodation in Oxford for undergraduates studying for their course where necessary or beneficial during the vacation.
- Graduate funding is available for some studies and for the most able there are a limited number of scholarship funds available for which graduates may apply, which are administered by the University, the College or other sources. The College awards Senior Scholarships each year which are open to

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Report of the Governing Body

Year ended 31 July 2019

any student reading for a higher degree in Oxford. In 2018/19 Senior Scholarships totalled £211k. In addition, there were other awards totalling £126k. Academic prizes totalling £35k were awarded to undergraduates and graduates at the College. Prizes are awarded on the basis of academic excellence and they serve to encourage academic endeavour at the College. The College also advances education for its graduates and undergraduates by providing travel and academic grants totalling £39k to meet costs involved in undertaking research and presenting papers at conferences.

The aim set for the College's subsidiary is to help finance the achievement of the College's aims as above.

ACADEMIC REVIEW

In line with the principle set out in our Academic Strategy that we should aim to operate with two fellows in most subjects, we recruited a second Law fellow and a second Management fellow in 2018-19. This means that, in the last three years, eleven new joint appointments (that is tutors holding both College and University teaching roles) have been added to the College's Governing Body, which is now the largest it has ever been.

However, it remains the case that a significant amount of teaching within the College is supplied by stipendiary lecturers, who do not hold either a fellowship or a joint appointment with the University (though in practice many of them do have other positions within the collegiate University). All stipendiary lecturers are part-time and many are early career researchers at the beginning of their academic trajectories. Over 2018-19, we made efforts to more fully integrate this cohort, and ensure that their important position within the College was properly recognized. Initiatives included the appointment of a lecturer to represent their interests on the College's Academic Committee, and the setting up of a termly tutors' lunchtime meeting, in which both lecturers and fellows participate, to discuss new initiatives and share best pedagogic practice. These meetings have clearly been a success, attracting about twenty participants on each occasion, and the discussions have already led to other reforms in the College. We also now ensure that all new appointees, both lecturers and fellows, receive a full day of induction training about the academic policies and procedures of the College.

Some of these developments were prompted by a desire to drive up the performance of Hertford finalists. The College spent the autumn of 2018 considering ways to support this outcome. In addition to ensuring that the College's tutors were better prepared and supported in their teaching role, a number of other initiatives flowed from these discussions. For example, the College's academic expectations for its undergraduate students were more clearly laid out in a revised College contract and academic disciplinary bye-law (now titled 'Academic Accountability'). However, better performance is not achieved simply by stating goals more forcibly, and the College has also invested in enabling students to achieve their best. As emulation effects and cohort cohesion has been identified as an effective means to drive up standards, the College created an Academic Enhancement Fund, which tutors were able to spend on academic related events that both added to students' intellectual experience while simultaneously encouraging bonds within the cohort. The College also appointed a new career development fellow whose remit is to institute a programme of study skills support both through workshops and one-to-one meetings with students, who can either self-refer or be referred by tutors. This new 'Porter Fellow', so-called because she is funded by an alumnus John Porter, started in October 2019, so we will report on uptake and impact of this new role in 2020.

We have continued to run an extensive outreach programme, including in our link regions of Essex, Southend on Sea, Medway and Camden, and have developed initiatives specifically designed to encourage and support applicants from disadvantaged and/or under-represented backgrounds, including a pilot programme of sustained contact and academic enrichment offered to high-achieving Year 12 students in four schools in Camden. Our two outreach officers ran 100 visits and

HERTFORD COLLEGE**Report of the Governing Body****Year ended 31 July 2019**

events as primary organiser this year, and have participated in many more. Altogether we have interacted with 14,935 students from 929 different schools. The addition of a part-time specialist STEM outreach officer enabled us to undertake some innovative activities, such as the 'Unsung Heroes of Science' competition, which received over thirty entries. The competition generated a repository of short films about lesser-known scientists which has been transformed into an online resource. The competition winners – a brother and sister from Preston – have had the opportunity to spend a day at Channel 4 News with alumnus, Krishnan Guru-Murthy. We have also piloted, in collaboration with Oxford's African & Caribbean Society, a careers workshop ('Into STEM') for Year 7 students and parents targeted at BAME groups. From this September, we will be launching an on-line chat forum called 'I'm a Scientist...' with groups from Medway schools.

In addition to this work within College we also continue to support University outreach work, and this year have increased our provision for UNIQ, the University's flagship summer school, from 50 to 200 places – a sixth of all the places available. We have also supported Target Oxbridge, an initiative aimed at increasing the number of black African and Caribbean students at Oxford and Cambridge, and were involved in the 2019 residential event. We have agreed to participate in the University's 'Opportunity Oxford' scheme, though as this will run for the first time in admissions round 2019, we will report on this next year.

Our access work would not be possible without our Student Ambassadors: in 2018-19 had 90 trained Ambassadors (20 per cent of all the College's undergraduates). Six of the most active among them received 'Tanner prizes' in January for their endeavours and commitment.

The most powerful demonstration of our access work is admissions. The College received 858 applications in October 2018, of which 586 were direct applications, a 23.4 per cent increase on 2017. The latest University statistical release shows that we continue to be at the forefront of access in many respects – especially state school intake (74 per cent).

HERTFORD COLLEGE**Report of the Governing Body****Year ended 31 July 2019**

FINANCIAL REVIEW

The Financial Statements for 2018/19 follow the requirements of FRS102.

While fundraising once again exceeded targets for the year, it was lower than the previous year, which benefitted from the inclusion of an exceptional donation. Trading income was also lower by around 4%, partly due to a deliberate policy of allocating some summer accommodation capacity for academic purposes. Increases in Teaching and Residential income (£519k), combined with the enhanced investment income assisted by our bond fund holdings (£696k), helped lift overall incoming resources by £307k to £13.9m.

Expenditure increased overall by £2.38m, although £1.7m of this change is attributable to a large pension reserve increase of circa £1.4m, versus a decrease in the previous year of £300k. This was driven primarily by actuarial valuations associated with the USS pension scheme (see note 20), a position which has improved subsequent to the balance sheet date. Other key changes were increased investment costs representing the full year servicing costs of the £20m bond, circa £200k of increased academic staffing costs, and £300k of additional student accommodation and maintenance charges (the former recovered through increased rental income).

Combined with a reduced growth in investment values (£1.75m versus £3.2m in previous year), the overall net surplus reduced to £1.35m, against £4.85m in 2018. Cash held at the end of the reporting period was £4.7m (2018 £6m).

Reserves policy

The College's reserves policy is to maintain a minimum of three months' free reserves to enable it to meet its short-term financial obligations in the event of an unexpected revenue shortfall, to allow the College to be managed efficiently and to provide a buffer that would ensure uninterrupted services.

The College's free reserves at the year-end amounted to £3.99m representing retained unrestricted income reserves, excluding an amount of £10.87m for the book value of fixed assets, the reserve against future Pension Deficits required by the implementation of FRS102 (£2.76m), and £500k reserves for the Undergraduate Bursary Fund (which guarantees a minimum of five years' funding for the scheme). The governing body have reviewed the free reserves and are satisfied that the level of free reserves, the current cash flow projections and the availability of external financing facilities would provide an adequate safety net in the event of adverse operating conditions.

Total funds of the College and its subsidiary at the year-end amounted to £85.7m (2018: £84.4m). This includes endowment capital of £66.6m and unspent restricted income funds totalling £3.8m.

Risk management

The College has on-going processes which operated throughout the financial year for identifying, evaluating and managing the principal risks and uncertainties faced by the College and its subsidiary in undertaking their activities. 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, chaired by the Principal. Financial risks are assessed by the Treasury Committee and investment risks are monitored by the Investment Advisory Committee. In addition, the Domestic Bursar and domestic staff heads meet regularly to review health and safety issues. Training courses and other forms of career development are made available to Trustees and members of staff to enhance their skills in risk-related areas.

The Governing Body, who have ultimate responsibility for managing any risks faced by the College, have reviewed the processes in place for managing risk and the principal identified risks to which the College and its subsidiary are exposed and have concluded that robust systems are in place to manage these risks. The principal risks and uncertainties faced by the College and its subsidiary that have been identified are categorised as follows:

HERTFORD COLLEGE

Report of the Governing Body

Year ended 31 July 2019

- Governance risks – e.g. inappropriate organisational structure, difficulties recruiting trustees with relevant skills, conflict of interest;
- Operational risks- e.g. service quality and development, contract pricing, employment issues; health and safety issues; fraud and misappropriation;
- Financial risks- e.g. accuracy and timeliness of financial information, adequacy of reserves and cash flow, diversity of income sources, investment management;
- External risks- e.g. public perception and adverse publicity, demographic changes, government policy; and
- Compliance with law and regulation - e.g. breach of trust law, employment law, and regulative requirements of particular activities such as fund-raising and information security.

Strategies for managing the risks identified by the College as described above include, for example:

- Establishing the appropriate committees responsible for formulating recommendations to Governing Body;
- Providing appropriate training to all members of staff and at the induction of new Fellows;
- Ensuring accountability of College Officers to the appropriate committee and for the committees in turn to be accountable to the Governing Body;
- Developing and implementing key policies across the main areas of activity of the College, including, for example, admissions policy, health & safety policy, and information security policy; and
- Ensuring the appropriate insurance policies are in place and reviewed regularly.

The College identifies and regularly and systematically reviews the risks it faces, the potential impact of each risk, the likelihood of recurrence, the severity of impact, and the steps taken to mitigate each particular risk and records this process in its Risk Register, which is regularly reviewed by the Treasury Committee and approved by Governing Body.

Fundraising

2018-19 was a successful year for Hertford's Development Office. It was the second year in a row that the college exceeded its million-pound fundraising target, receiving £1.2m in cumulative donations, with a further £1.3m pledged to the college over the next five years in future donation instalments. 966 donors contributed to this total, an increase from 880 last year, and over a third of these donors have a regular gift set up to the college, which is a great help in building a sustainable fundraising platform. We were also pleased by the increase in the number of donors making gifts of £10k or more. Generous gifts were made towards the planned redevelopments on the Catte Street site, our outreach summer schools and projects in our link areas of Essex and Kent, a travel fund for students, the student boat club, graduate scholarships, the publication of the college history, as well as the teaching of Law, English, Computer Science, Physics and Geography.

Our communications and events strategy continues to bear fruit: we send a monthly round-up of news and events by email, which has an open rate of usually 40%-45%, as well as three major publications: the Donor Report (which reports on funds raised and how donations are used), the Magazine (a record of the previous academic year), and the Bridge (a round-up of news and articles). We held 33 events over the course of the year for alumni and supporters, ranging from a lecture in the Sheldonian theatre, reunion dinners for Physics and English alumni, regional events for alumni in Edinburgh, Manchester, overseas events hosted by alumni in Hong Kong, Tokyo, Boston, New York and Washington, networking events for young alumni, and thank you events for our donors and legators.

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Report of the Governing Body

Year ended 31 July 2019

In the year ahead, our focus will be on building towards a campaign for the renovation and buildings works the college has planned, with a particular focus on extending and improving the Library.

Hertford College is committed to best practice in relation to all fundraising activities. The in-house Development team co-ordinate fundraising activities, and are subject to the scrutiny of the Development Committee and college Governing Body. Hertford College is registered with the Fundraising Regulator. The college has protocols and procedures to ensure that all college fundraising is open, honest and respectful, and that it adheres to legal and fundraising guidelines. Hertford does not engage any professional third parties to carry out fundraising activities on its behalf. No formal complaints have been received during the financial year 1 August 2017 to 31 July 2018.

Investment policy, objectives and performance

The College's Statement of Investment Principles is published on its web site. In summary, the College aims to manage its investments to:

- Generate income to support the College's charitable educational aims,
- Improve the educational experience of current and future generations of students and to pursue excellence in scholarship by means of teaching and research and the provision of the cultural and social context which supports this, and
- Produce the optimal sustainable return given the college's low risk tolerance and to preserve the value of investments against the threat of inflation over the long term.

The investment strategy and performance is monitored by the Investment Advisory Committee which in turn reports to the College's Treasury Committee. At the year end, the value of the College's investments was £95.2m (2018 £90.6m), of which £70.4m represents endowed or restricted funds). The total investment income was c. 3.4% gross, or c.2.9% net of bond costs.

FUTURE PLANS

The College has agreed a 10 year plan to develop its buildings and facilities ("the Estates Strategy"). This will encompass significant refurbishment works (e.g. upgrading student accommodation), the expansion of existing facilities (e.g. a new Library), and provision of new facilities (e.g. additional graduate accommodation).

The anticipated expenditure over that horizon is around £75m, to be found from a combination of reserves, fundraising, bond capital, and other finance arrangements.

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;

HERTFORD COLLEGE**Report of the Governing Body****Year ended 31 July 2019**

- 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 27th November 2019 and signed on its behalf by:



Mr J Clark

Bursar

HERTFORD COLLEGE
Report of the Auditors
Year ended 31 July 2019

**Independent Auditor's Report to the Members of the Governing Body
of Hertford College**

Opinion

We have audited the financial statements of Hertford College for the year ended 31 July 2019 which comprise the Group Statement of Financial Activities, the Group and Charity Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 July 2019 and of the group's 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 Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

HERTFORD COLLEGE**Report of the Auditors****Year ended 31 July 2019**

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on pages 12 and 13, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

HERTFORD COLLEGE
Report of the Auditors
Year ended 31 July 2019

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

Crowe U.K. LLP
Statutory Auditor
London

28th November 2019

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

HERTFORD COLLEGE**Statement of Accounting Policies**Year ended 31 July 2019

Statement of Accounting Policies**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 Cash Flow Statement of Cash Flows for the College and its wholly owned subsidiary Hertford Programmes Limited. The subsidiary has been consolidated from the date of its formation being the date from which the College has exercised control through voting rights in the subsidiary. 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.

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)).

Having reviewed the funding facilities available to the College together with the expected ongoing demand for places and the College's future projected cash flows, the Governing Body have a reasonable expectation that the College has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the College's financial viability. Accordingly, they also continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Accounting and Reporting Responsibilities on page 12 and to adopt 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.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the previous Statement of Recommended Practice: Accounting and Reporting by Charities which was effective from 1 April 2005 but which has since been withdrawn.

2. 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 Governing Body, in applying the accounting policies, have included an estimate for the College's share of the USS and OSPS pension scheme liabilities, and an estimate of the useful economic life of its buildings. Otherwise no judgements were required that have a significant effect on the amounts recognised in the financial statements.

The College calculates its liability for USS pension deficit based on the current agreed schedule of deficit contributions. Following the 2017 valuation of the scheme, it is expected that there may be significant changes to the contribution schedule in the future. Consultations are ongoing and no formal agreement on future rates has been reached, so the College has concluded that the current schedule of deficit contributions is the correct basis for calculation of the liability as at 31 July 2019.

HERTFORD COLLEGE**Statement of Accounting Policies****Year ended 31 July 2019**

3. 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.

Income from fees, Office for Students support and other charges for services

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

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. 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.

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 on the date the share interest becomes ex-dividend or when the right to the dividend can be established.

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

4. 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

HERTFORD COLLEGE**Statement of Accounting Policies****Year ended 31 July 2019**

use made of the underlying assets, as appropriate. Irrecoverable VAT is included with the item of expenditure to which it relates.

Intra-group sales and charges between the College and its subsidiaries are excluded from trading income and expenditure in the consolidated financial statements.

5. 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.

6. 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 £25,000 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 its subsidiaries is charged to the SOFA as incurred.

7. Heritage Assets

The College has chosen to hold heritage assets at cost. The college has a number of assets, including items of art and historic texts that meet the definition of heritage assets under the SORP. The depreciated historic cost of the majority of these items is nil. Items purchased are recognised at cost and items donated to the College are recognised at fair value. The college has taken advantage of the exemption within FRS 102 not to disclose transactions before 1 January 2015 as obtaining fair values for these assets would be impracticable and the cost of obtaining such valuations would outweigh the benefits to the users of these financial statements

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 30 years
- Equipment 5 years

Freehold land is not depreciated. The cost of freehold land associated with the main historic site is not included in the balance sheet but is not material. The cost of maintenance is charged in the Statement of Financial Activities in the period in which it is incurred.

The costs of major renovation projects which increase the service potential of buildings are capitalised and depreciated over applicable periods.

HERTFORD COLLEGE**Statement of Accounting Policies****Year ended 31 July 2019**

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.

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' and are allocated to the fund holding or disposing of the relevant investment.

10. Other financial instruments**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.

Debtors and creditors

Debtors and creditors receivable or payable within one year of the reporting date are carried at their at 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. Fund accounting

The total funds of the College and its subsidiary are allocated to unrestricted, restricted or endowment funds based on the origins of the funds and the terms set by the donors. Endowment funds are further sub-divided into permanent and expendable.

Unrestricted funds can be used in furtherance of the objects of the College at the discretion of the Governing Body. The Governing Body may decide that part of the unrestricted funds shall be used in future for a specific purpose and this will be accounted for by transfers to appropriate designated funds. A restatement has been made to the presentation of the pension reserve so that this is shown as a negative balance in the funds note and on the balance sheet.

HERTFORD COLLEGE**Statement of Accounting Policies****Year ended 31 July 2019**

Restricted funds comprise gifts, legacies and grants where the donors have earmarked funds for specific purposes. They consist of either gifts where the donor has specified that both the capital and any income arising must be used for the purposes given or the income on gifts where the donor has required that the capital be maintained and the income used for specific purposes.

Permanent endowment funds arise where donors specify that the funds should be retained as capital for the permanent benefit of the College. Any income arising from the capital 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.

14. Pension costs

The College participates in Universities Superannuation Scheme and the University of Oxford Staff Pension Scheme. These schemes are hybrid pension schemes, providing defined benefits based on salaries as well as benefits based on contributions.

The assets of the schemes are each held in a separate trustee-administered fund. Because of the mutual nature of the schemes, the assets applicable to the defined benefit membership are not attributed to individual Colleges and scheme-wide contribution rates are set. The College is therefore exposed to actuarial risks associated with other Universities' and Colleges' employees and is unable to identify its share of the underlying assets and liabilities of the defined benefit scheme on a consistent and reasonable basis.

As required by Section 28 of FRS 102 "Employee benefits", the College accounts for the schemes as if they were wholly defined contribution schemes and 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.

The College has entered into agreements for both schemes (the Recovery Plans) that determine how each employer within the schemes will fund the overall scheme deficits. A liability is recognised at each balance sheet date for the discounted value of the expected future contribution payments under these past service deficit funding agreements, with changes to these liabilities being recognised as an expense in the periods in which the changes occur.

Hertford College
 Consolidated Statement of Financial Activities
 For the year ended 31 July 2019

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2019 Total £'000	2018 Total £'000
INCOME AND ENDOWMENTS FROM:						
Charitable activities:	1					
Teaching, research and residential		6,557	-	-	6,557	6,038
Other Trading Income	3	3,076	-	-	3,076	3,199
Donations and legacies	2	447	750	-	1,197	1,978
Investments						
Investment income	4	2,747	362	-	3,109	2,413
Other income		18	-	-	18	22
Total income		12,845	1,112	-	13,957	13,650
EXPENDITURE ON:						
Charitable activities:	5					
Teaching, research and residential		10,289	242	-	10,531	8,626
Generating funds:						
Fundraising		576	-	-	576	560
Trading expenditure		2,492	-	-	2,492	2,314
Investment management costs		724	28	-	752	471
Total Expenditure		14,081	270	-	14,351	11,970
Net Income/(Expenditure) before gains		(1,236)	842	-	(394)	1,680
Net gains/(losses) on investments	11	(51)	72	1,724	1,745	3,170
Net Income/(Expenditure)		(1,287)	914	1,724	1,351	4,850
Transfers between funds	16	(51)	33	18	-	-
Net movement in funds for the year		(1,338)	947	1,742	1,351	4,850
Fund balances brought forward	16	16,692	2,832	64,885	84,409	79,559
Funds carried forward at 31 July		15,354	3,779	66,627	85,760	84,409

Hertford College
Consolidated Statement of Financial Activities
For the year ended 31 July 2018

GB19 MT21

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2018 Total £'000
INCOME AND ENDOWMENTS FROM:				
Charitable activities:				
Teaching, research and residential	6,038	-	-	6,038
Other Trading Income	3,199	-	-	3,199
Donations and legacies	157	1,103	718	1,978
Investments	-	-	-	-
Investment income	2,140	273	-	2,413
Other income	22	-	-	22
Total income	<u>11,556</u>	<u>1,376</u>	<u>718</u>	<u>13,650</u>
EXPENDITURE ON:				
Charitable activities:				
Teaching, research and residential	8,315	310	-	8,625
Generating funds:				
Fundraising	560	-	-	560
Trading expenditure	2,314	-	-	2,314
Investment management costs	467	4	-	471
Total Expenditure	<u>11,656</u>	<u>314</u>	<u>-</u>	<u>11,970</u>
Net Income/(Expenditure) before gains	<u>(100)</u>	<u>1,062</u>	<u>718</u>	<u>1,680</u>
Net gains/(losses) on investments	292	78	2,800	3,170
Net Income/(Expenditure)	<u>192</u>	<u>1,140</u>	<u>3,518</u>	<u>4,850</u>
Transfers between funds	(72)	50	22	-
Net movement in funds for the year	<u>120</u>	<u>1,190</u>	<u>3,540</u>	<u>4,850</u>
Fund balances brought forward	16,572	1,642	61,345	79,559
Funds carried forward at 31 July	<u>16,692</u>	<u>2,832</u>	<u>64,885</u>	<u>84,409</u>

Hertford College
Consolidated and College Balance Sheets
As at 31 July 2019

GB19 MT21

	Notes	2019 Group £'000	2018 Group £'000	2019 College £'000	2018 College £'000
FIXED ASSETS					
Tangible assets	9	10,870	10,797	10,870	10,797
Property investments	10	928	883	928	883
Other Investments	11	94,257	89,747	94,257	89,747
Total Fixed Assets		106,055	101,427	106,055	101,427
CURRENT ASSETS					
Stocks		30	35	30	35
Debtors	13	1,240	1,310	3,036	1,078
Cash at bank and in hand		4,715	5,999	936	4,970
Total Current Assets		5,985	7,344	4,002	6,083
LIABILITIES					
Creditors: Amounts falling due within one year	14	3,515	3,040	1,532	1,779
NET CURRENT ASSETS/(LIABILITIES)		2,470	4,304	2,470	4,304
TOTAL ASSETS LESS CURRENT LIABILITIES		108,525	105,731	108,525	105,731
CREDITORS: falling due after more than one year	15	20,000	20,000	20,000	20,000
NET ASSETS/(LIABILITIES) BEFORE PENSION ASSET OR LIABILITY		88,525	85,731	88,525	85,731
Defined benefit pension scheme liability	20	2,765	1,322	2,765	1,322
TOTAL NET ASSETS/(LIABILITIES)		85,760	84,409	85,760	84,409
FUNDS OF THE COLLEGE					
Endowment funds		66,627	64,885	66,627	64,885
Restricted funds		3,779	2,832	3,779	2,832
Unrestricted funds					
Designated funds		11,370	11,304	11,370	11,304
General funds		6,749	6,710	6,749	6,710
Pension reserve	20	(2,765)	(1,322)	(2,765)	(1,322)
		85,760	84,409	85,760	84,409

The financial statements were approved and authorised for issue by the Governing Body of Hertford College on 27th November 2019

Trustee:

Trustee:

Hertford College
Consolidated Statement of Cash Flows
For the year ended 31 July 2019

	Notes	2019 £'000	2018 £'000
Net cash provided by (used in) operating activities	22	<u>(302)</u>	<u>(157)</u>
Cash flows from investing activities			
Dividends, interest and rents from investments		3,109	2,413
Purchase of property, plant and equipment		(777)	(460)
Proceeds from sale of investments		2,951	15,236
Purchase of investments		(5,761)	(35,752)
Net cash provided by (used in) investing activities		<u>(478)</u>	<u>(18,563)</u>
Cash flows from financing activities			
Coupon on Private Placement Paid		(504)	(252)
Cash inflows from new borrowing		-	20,000
Receipt of endowment		-	718
Net cash provided by (used in) financing activities		<u>(504)</u>	<u>20,466</u>
Change in cash and cash equivalents in the reporting period		<u>(1,284)</u>	<u>1,746</u>
Cash and cash equivalents at the beginning of the reporting period		5,999	4,253
Change in cash and cash equivalents in the reporting period		(1,284)	1,746
Cash and cash equivalents at the end of the reporting period	23	<u>4,715</u>	<u>5,999</u>

1 INCOME FROM CHARITABLE ACTIVITIES

	2019 £'000	2018 £'000
Teaching, Research and Residential		
Unrestricted funds		
Tuition fees - UK and EU students	1,728	1,648
Tuition fees - Overseas students	939	868
Other fees	738	580
Other HEFCE support	198	206
Other academic income	102	50
College residential income	2,852	2,686
	<u>6,557</u>	<u>6,038</u>
Restricted funds		
College residential income	-	-
	<u>-</u>	<u>-</u>
Total Teaching, Research and Residential	<u>6,557</u>	<u>6,038</u>

The above analysis includes £2865k received from Oxford University from publicly accountable funds under the CFF Scheme, net of College fees received directly (2018: £1,693k).

2 DONATIONS AND LEGACIES

	2019 £'000	2018 £'000
Donations and Legacies		
Unrestricted funds	447	157
Restricted funds	750	1,103
Endowed funds	-	718
	<u>1,197</u>	<u>1,978</u>

3 INCOME FROM OTHER TRADING ACTIVITIES

	2019 £'000	2018 £'000
Subsidiary company trading income	3,073	3,198
Other trading income	3	1
	<u>3,076</u>	<u>3,199</u>

Note 12

4 INVESTMENT INCOME

	2019 £'000	2018 £'000
Unrestricted funds		
Commercial rent	11	22
Equity dividends	1,510	1,185
Income from fixed interest stocks	1,203	922
Interest on fixed term deposits and cash	3	-
Bank interest	20	11
	<u>2,747</u>	<u>2,140</u>
Restricted funds		
Equity dividends	200	175
Income from fixed interest stocks	162	98
	<u>362</u>	<u>273</u>
Total Investment income	<u>3,109</u>	<u>2,413</u>

5 ANALYSIS OF EXPENDITURE

	2019 £'000	2018 £'000
Charitable expenditure		
Direct staff costs allocated to:		
Teaching, research and residential	3,947	3,740
Other direct costs allocated to:		
Teaching, research and residential	3,100	2,901
Support and governance costs allocated to:		
Teaching, research and residential	3,484	1,985
Total charitable expenditure	10,531	8,626
Expenditure on raising funds		
Direct staff costs allocated to:		
Fundraising	323	335
Trading expenditure	437	441
Other direct costs allocated to:		
Fundraising	217	195
Trading expenditure	688	664
Support and governance costs allocated to:		
Fundraising	36	30
Trading expenditure	1,367	1,209
Investment management costs	752	471
Total expenditure on raising funds	3,820	3,344
Total expenditure	14,351	11,970

As in prior years, the College was liable to be assessed for Contribution under the provisions of Statute XV of the University of Oxford. The Contribution Fund was used to make grants and loans to Colleges on the basis of need. Contributions were calculated annually in accordance with regulations made by the Council of the University of Oxford.

The teaching and research costs include a charge of £32k, (2018 - a credit of £90k).

6 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

	Generating Funds £'000	Teaching and Research £'000	2019 Total £'000
General administration	1,910	1,068	2,978
Human resources	-	3	3
IT	60	386	446
Depreciation	154	550	704
Other finance charges	-	1,441	1,441
Governance costs	31	36	67
	2,155	3,484	5,639

	Generating Funds £'000	Teaching and Research £'000	2018 Total £'000
General administration	1,494	945	2,439
IT	42	272	314
Depreciation	144	515	659
Other finance charges	-	100	100
Governance costs	30	98	128
	1,710	1,985	3,695

Finance and administration and IT costs are attributed according to the estimated staff time spent on each activity. Depreciation costs are attributed according to the use made of the underlying assets.

	2019 £'000	2018 £'000
Governance costs comprise:		
Auditor's remuneration - audit services	29	24
Auditor's remuneration - tax advisory services	1	11
Legal and other fees on constitutional matters	37	93
	<u>67</u>	<u>128</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 fund as follows:

	2019 £'000	2018 £'000
Unrestricted funds		
Grants to individuals:		
Scholarships, prizes and grants	95	75
Bursaries and hardship awards	100	102
Total unrestricted	<u>195</u>	<u>177</u>
Restricted funds		
Grants to individuals:		
Scholarships, prizes and grants	346	299
Bursaries and hardship awards	105	106
Total restricted	<u>451</u>	<u>405</u>
Total grants and awards	<u>646</u>	<u>582</u>

The above costs are included within the charitable expenditure on Teaching, research and residential.

8 STAFF COSTS

The aggregate staff costs for the year were as follows.

	2019 £'000	2018 £'000
Salaries and wages	5,210	4,863
Social security costs	335	348
Pension costs:		
Defined benefit schemes	2,135	745
	<u>7,680</u>	<u>5,956</u>

The average number of employees of the College, excluding Trustees, on an average headcount basis was as follows.

	2019	2018
Tuition and research	28	30
College residential	78	76
Fundraising	4	4
Support	33	33
Total	<u>143</u>	<u>143</u>

The average number of employed College Trustees during the year was as follows.	2019	2018
University Lecturers	18	18
CUF Lecturers	8	8
Other teaching and research	8	3
Other	3	3
Total	37	32

The College also benefits from temporary staff, agency workers and those part-time external tutors who are not on the College payroll.

Redundancy payments are accounted for in the period in which the employee was informed of the decision. Where redundancy costs are uncertain, the figure in the accounts represents a best estimate. These costs will be met through unrestricted funds. Redundancy costs totalled £7k in 2018/19 (£0k in 2017/18).

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 is 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:

£60,001-£70,000	2019	2018
£70,001-£80,001	-	1
£80,001-£90,001	1	-
£90,001-£100,001	-	-

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

In defined benefits schemes	1	1
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The College contributions to defined contribution pension schemes totalled	2,135	745
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9 TANGIBLE FIXED ASSETS

Group	Freehold land and buildings £'000	Plant and machinery £'000	Total £'000
Cost			
At start of year	22,000	263	22,263
Additions	725	52	777
At end of year	22,725	315	23,040
Depreciation and impairment			
At start of year	11,306	160	11,466
Depreciation charge for the year	646	58	704
At end of year	11,952	218	12,170
Net book value			
At end of year	10,773	97	10,870
At start of year	10,694	103	10,797

College	Freehold land and buildings £'000	Plant and machinery £'000	Total £'000
Cost			
At start of year	22,000	263	22,263
Additions	725	52	777
At end of year	<u>22,725</u>	<u>315</u>	<u>23,040</u>
Depreciation and impairment			
At start of year	11,306	160	11,466
Charge for the year	646	58	704
At end of year	<u>11,952</u>	<u>218</u>	<u>12,170</u>
Net book value			
At end of year	<u>10,773</u>	<u>97</u>	<u>10,870</u>
At start of year	<u>10,694</u>	<u>103</u>	<u>10,797</u>

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.

10 PROPERTY INVESTMENTS

Group	Other £'000	2019 Total £'000	2018 Total £'000
Valuation at start of year	883	883	-
Additions and improvements at cost	45	45	883
Valuation at end of year	<u>928</u>	<u>928</u>	<u>883</u>
College	Other £'000	2019 Total £'000	2018 Total £'000
Valuation at start of year	883	883	-
Additions and improvements at cost	45	45	883
Valuation at end of year	<u>928</u>	<u>928</u>	<u>883</u>

11 SECURITIES AND OTHER INVESTMENTS

All investments are held at fair value.

	2019 £'000	2018 £'000
Group investments		
Valuation at start of year	89,747	66,944
New money invested	-	19,595
Amounts withdrawn	-	(2,003)
Reinvested income	2,966	2,219
Investment management fees	(201)	(178)
(Decrease)/increase in value of investments	1,745	3,170
Group investments at end of year	<u>94,257</u>	<u>89,747</u>
Investment in subsidiaries	-	-
College investments at end of year	<u>94,257</u>	<u>89,747</u>

Group investments comprise:	Held in the UK £'000	2019 Total £'000	Held in the UK £'000	2018 Total £'000
Equity investments	966	966	979	979
Global multi-asset funds	48,382	48,382	46,491	46,491
Property funds	4,688	4,688	5,448	5,448
Fixed interest stocks	31,978	31,978	30,294	30,294
Alternative and other investments (OUEM)	5,625	5,625	5,326	5,326
Fixed term deposits and cash	2,618	2,618	1,209	1,209
Total group investments	94,257	94,257	89,747	89,747

12 PARENT AND SUBSIDIARY UNDERTAKINGS

Hertford College Programmes (Company Registration Number 7247311), a company limited by guarantee, is a wholly owned subsidiary of the college. It commenced trading on 1st August 2010 and provides English Language programmes and other similar programmes on the College premises.

The results and their assets and liabilities of the parent and subsidiaries at the year end were as follows.

	Hertford College Programmes £'000
Income	3,073
Expenditure	(2,503)
Donation to College under gift aid	(570)
Result for the year	-
Total assets	3,826
Total liabilities	(3,826)
Net funds at the end of year	-

During the year a Gift Aided management charge of £878k (2018: £638k) was paid by Hertford College Programmes to the College. At the year end, a balance of £1,844k was owed by Hertford College Programmes to Hertford College (2018: £371k was owed by Hertford College to Hertford College Programmes).

13 DEBTORS

	2019 Group £'000	2018 Group £'000	2019 College £'000	2018 College £'000
Amounts falling due within one year:				
Trade debtors	117	305	67	74
Amounts owed by College members	114	126	115	126
Amounts owed by Group undertakings	-	-	1,844	-
Loans repayable within one year	27	25	27	25
Prepayments and accrued income	982	854	983	853
	1,240	1,310	3,036	1,078

14 CREDITORS: falling due within one year

	2019 Group £'000	2018 Group £'000	2019 College £'000	2018 College £'000
Trade creditors	388	429	386	429
Amounts owed to College Members	1	33	1	32
Amounts owed to Group undertakings	-	-	-	371
Taxation and social security	157	150	157	150
College contribution	32	-	32	-
Accruals and deferred income	2,275	1,694	298	62
Other creditors	662	734	658	735
	<u>3,515</u>	<u>3,040</u>	<u>1,532</u>	<u>1,779</u>

Accruals and deferred income include £1,968k (2017/18: £1,829k) relating to Conferences and other International Programmes where delivery of the Programmes will take place in the following Financial Year. All of the balance brought forward from 2017/18 was released during 2018/19.

15 CREDITORS: falling due after more than one year

	2019 Group £'000	2018 Group £'000	2019 College £'000	2018 College £'000
Other creditors	20,000	20,000	20,000	20,000
	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>

A key financial transaction for the prior year was the placement of a private bond totalling £20m. The bond has a fixed term of 30 years of which 29 remain, with a fixed coupon of 2.52%. The funds will be used to support the College's Estates Strategy, where significant investment is envisaged over the next few years. A portion of the proceeds has been designated for long-term investment to cover eventual repayment of the capital.

16 ANALYSIS OF MOVEMENTS ON FUNDS

	At 1 August 2018 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2019 £'000
Endowment Funds - Permanent						
College Endowment Fund	48,462	-	-	7,595	1,288	57,345
Carreras Endowment	1,680	-	-	(1,725)	45	-
Carreras General	3,927	-	-	(4,031)	104	-
Baring Trust Fund	2,139	-	-	(2,196)	57	-
Drapers Fellowship Fund (Previously "Drapers Fund")	1,196	-	-	(614)	32	614
Mortimer May	965	-	-	-	26	991
E. M. Vaughan-Williams Trust	598	-	-	-	16	614
Five Fellowship	576	-	-	(591)	15	-
Michael Baring Travel Fund	90	-	-	-	2	92
Roger Van Noorden Economics Fund	598	-	-	-	16	614
Ellis-Barnard History Fellowship	1,509	-	-	-	40	1,549
Other Scholarship Funds	1,050	-	-	(911)	28	167
Student Support	718	-	-	-	21	739
Other Funds	198	-	-	(203)	5	-
Fellowship Fund	-	-	-	2,086	-	2,086
Drapers Scholarship Fund	-	-	-	614	-	614
Endowment Funds - Expendable						
Carreras Fellowship	583	-	-	-	13	596
Starun Fund	222	-	-	-	6	228
Japan Appeal	6	-	-	(6)	-	-
Armstrong-Macintyre-Markham	342	-	-	-	9	351
Law Student Support (Previously "BCL") Fund	26	-	-	-	1	27
Total Endowment Funds - College	64,885	-	-	18	1,724	66,627
Restricted Funds						
Undergraduate Bursaries	-	20	-	(20)	-	-
Unspent income funds	-	-	-	-	-	-
Carreras Endowment	5	54	(4)	(55)	-	-
Carreras Fellowship	181	24	(17)	(193)	5	-
Drapers	139	73	(3)	(213)	4	-
Mortimer May	272	39	(56)	-	7	262
E. M. Vaughan-Williams Trust	129	23	(13)	-	3	142
Janeway Restricted Fund	16	1	(9)	-	-	8
Unspent income of other Funds above	369	123	(43)	(175)	9	283
Other Funds	1,003	732	(123)	57	23	1,692
Matched Library	718	23	(2)	-	21	760
General Fellowships	-	-	-	632	-	632
Total Restricted Funds - College	2,832	1,112	(270)	33	72	3,779
Unrestricted Funds						
General	6,710	12,845	(13,959)	1,204	(51)	6,749
Fixed asset designated	10,797	-	-	73	-	10,870
Graduate Scholarship	7	-	(23)	16	-	-
Undergraduate Bursaries	500	-	(99)	99	-	500
Pension Reserve	(1,322)	-	-	(1,443)	-	(2,765)
Total Unrestricted Funds - College	16,692	12,845	(14,081)	(51)	(51)	15,354
Unrestricted funds held by subsidiaries	-	-	-	-	-	-
Total Unrestricted Funds - Group	16,692	12,845	(14,081)	(51)	(51)	15,354
Total Funds	84,409	13,957	(14,351)	-	1,745	85,760

	At 1 August 2017 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2018 £'000
Endowment Funds - Permanent						
College Endowment Fund	46,346	-	-	-	2,116	48,462
Carreras Endowment	1,607	-	-	-	73	1,680
Carreras General	3,734	-	-	22	171	3,927
Baring Trust Fund	2,046	-	-	-	93	2,139
Drapers	1,144	-	-	-	52	1,196
Mortimer May	923	-	-	-	42	965
E. M. Vaughan-Williams Trust	572	-	-	-	26	598
Five Fellowship	551	-	-	-	25	576
Michael Baring Travel Fund	86	-	-	-	4	90
Roger Van Noorden Economics Fund	572	-	-	-	26	598
Ellis-Barnard History Fellowship	1,443	-	-	-	66	1,509
Other Scholarship Funds	1,004	-	-	-	46	1,050
Student Support	-	718	-	-	-	718
Other Funds	189	-	-	-	9	198
Endowment Funds - Expendable						
Carreras Fellowship	558	-	-	-	25	583
Starun Fund	212	-	-	-	10	222
Japan Appeal	6	-	-	-	-	6
Armstrong-Macintyre-Markham	327	-	-	-	15	342
BCL Fund	25	-	-	-	1	26
Total Endowment Funds - College	61,345	718	-	22	2,800	64,885
Restricted Funds						
Undergraduate Bursaries	(3)	18	(15)	-	-	-
<i>Unspent income funds</i>	-	-	-	-	-	-
Carreras Endowment	(1)	48	(3)	(39)	-	5
Carreras Fellowship	151	21	(17)	19	7	181
Drapers	109	67	(42)	-	5	139
Mortimer May	230	34	(3)	-	11	272
E. M. Vaughan-Williams Trust	111	21	(8)	-	5	129
Janeway Restricted Fund	26	1	(12)	-	1	16
Unspent income of other Funds above	323	103	(114)	42	15	369
Other Funds	696	345	(100)	28	34	1,003
Matched Library	-	718	-	-	-	718
Total Restricted Funds - College	1,642	1,376	(314)	50	78	2,832
Unrestricted Funds						
General	6,264	11,556	(11,552)	150	292	6,710
Fixed asset designated	10,996	-	-	(199)	-	10,797
Graduate Scholarship	34	-	(27)	-	-	7
Undergraduate Bursaries	500	-	(77)	77	-	500
Pension Reserve	(1,222)	-	-	(100)	-	(1,322)
Total Unrestricted Funds - College	16,572	11,556	(11,656)	(72)	292	16,692
Unrestricted funds held by subsidiaries	-	-	-	-	-	-
Total Unrestricted Funds - Group	16,572	11,556	(11,656)	(72)	292	16,692
Total Funds	79,559	13,650	(11,970)	-	3,170	84,409

Transfers between funds :-

<i>Carreras Endowment/Carreras General</i>	50% of the income (net of investment expenses) of the Carreras Endowment Fund is transferred to the Carreras General Fund whose income is used for the general purposes of the College.
<i>Undergraduate Bursaries/General Fund</i>	Governing Body has designated funds so that together with the restricted Bursary Fund, there are reserves equivalent to the anticipated costs of the next five years of the Bursary scheme which the College started in October 2011.
<i>Infrastructure Modernisation/General Fund</i>	Governing Body has decided to transfer the Infrastructure Modernisation Fund to the General Fund pending the creation of a long-term Estates Plan.
<i>Other transfers between funds</i>	During the year the College agreed with the Charities Commission that a number of the endowment funds could be merged and/or redefined to reflect current application. Net funds remain the same.

17 FUNDS OF THE COLLEGE DETAILS

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

Endowment Funds - Permanent:

College Endowment Fund	Funds received from the University, in the 1960s, to establish a permanent endowment plus subsequent legacies and donations for endowment purposes.
Carreras Endowment	A gift from Carreras International whose income is split between the Carreras General and Fellowship Funds
Carreras General	Income from Carreras Endowment Fund is reinvested and the income generated is used the general purposes of the College
Baring Trust Fund	Dates back to the re-foundation of the College in the 19th century. Income used for scholarships / general purposes.
Drapers Fellowship Fund (Previously "Drapers Fund")	A gift from The Drapers' Company for Scholarships and in support of a Fellow.
Mortimer May	A gift from Bruce and Julia May in memory of their son Mortimer to support a student in "Geography or a related subject".
E. M. Vaughan-Williams Trust	A gift from Miles Vaughan-Williams to support Medical Students.
Five Fellowship	A gift in 1874 of which £1500 p.a. is to support Fellowships and the balance for general purposes.
Michael Baring Travel Fund	Gifts since 2001 in memory of Michael Baring to assist History Students with their research expenses.
Roger Van Noorden Economics Fund	Gifts since 2007 for the Economics Fund, which was renamed in 2010 in memory of Roger Van Noorden, in support of a Fellow in Economics.
Ellis-Barnard History Fellowship	Established in 2011 to fund the teaching of History.
Other Scholarship Funds	Comprise the Lucy, Lusby, McBride, Meeke, Scholarship Augumentation and War Memorial Funds which represent gifts, received between 1665 and 1919, to support scholars with surplus for general purposes.
Student Support	A permanent endowment for graduate and undergraduate student support initiatives or scholarships.
Other Funds	Comprise the Boyd Memorial, White, Brunsell and Old Hertford College Funds which are for Student Loans/Chapel/Library and general purposes.
Fellowship Fund	Combined Historic Funds.
Drapers Scholarship Fund	Combined Historic Funds.
Endowment Funds - Expendable:	
Carreras Fellowship	Income from Carreras Endowment Fund to support Fellowship and Scholars.
Starun Fund	Gifts from Mr L. Starun 1974-78 for research into Polish History, Language or Literature

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Japan Appeal	Gifts in 1991/2 from Tokyo Electric Power and the Kajima Fund to support a Fellowship in Japanese and academic visits to/from Japan.
Armstrong-Macintyre-Markham History Fellowship	Gifts in the 1990s in memory of Angus Macintyre, Felix Markham and John Armstrong to support teaching and research by a History Fellow
BCL Fund	Gifts since 2007, some in memory of Roy Stuart to support Law students particularly those on the B.C.L. course.
Restricted Funds	
Bursaries Fund	Gifts since 2009 to support the Undergraduate Bursary Scheme which commenced in October 2011
Unspent income	Unspent income from the following funds named above:- Mortimer May, Drapers, Carreras Fellowship, E.M. Vaughan-Williams, Starun, Baring Travel, and the BCL funds.
Other Funds	Comprise the Tanner/Thorne, G. Robinson, John Stubbley, Geography Prize, Music and student hardship Funds.
Janeway Restricted Fund	This Fund was established by donation to support the teaching of Philosophy and Computing.
Matched Library	An expendable endowment for the redevelopment or renovation of the library.
General Fellowships	Combined Historic Funds. Philosophy and Computing.
Designated Funds	
Fixed asset designated	Unrestricted Funds which are represented by the fixed assets of the College and therefore not available for expenditure on the College's general purposes
Graduate Scholarship	Unrestricted Funds allocated by the Fellows for future costs of providing enhanced scholarships.
History Teaching	Unrestricted Funds allocated by the Fellows for future costs of funding a titular post. The fund has been removed as the post is now fully funded.
Bursaries Fund	Unrestricted Funds allocated by the Fellows for future costs of the Undergraduate Bursary Scheme which commenced in October 2011.
General Unrestricted Funds	Represent accumulated income from the College's activities and other sources that are available for the general purposes of the College.
Pension Reserve	This Fund sets aside funds for the Deferred Benefit Pension Scheme Liability as required by FRS 102.

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2019 Total £'000
Tangible fixed assets	10,870	-	-	10,870
Property investments	928	-	-	928
Other investments	23,851	3,779	66,627	94,257
Net current assets	2,470	-	-	2,470
Long term liabilities	(20,000)	-	-	(20,000)
Pension Scheme Liability	(2,765)	-	-	(2,765)
	<u>15,354</u>	<u>3,779</u>	<u>66,627</u>	<u>85,760</u>
	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2018 Total £'000
Tangible fixed assets	10,797	-	-	10,797
Property investments	883	-	-	883
Other investments	22,344	2,518	64,885	89,747
Net current assets	4,304	-	-	4,304
Long term liabilities	(20,000)	-	-	(20,000)
Pension Scheme Liability	(1,322)	-	-	(1,322)
	<u>17,006</u>	<u>2,518</u>	<u>64,885</u>	<u>84,409</u>

19 TRUSTEES' REMUNERATION

The trustees of the college comprise the governing body, primarily fellows who are teaching and research employees of the college and who sit on governing body by virtue of their employment.

No trustee receives any remuneration for acting as a trustee. However, those trustees who are also employees of the college receive salaries for their work as employees. Where possible, these salaries are paid on external scales and often are joint arrangements with the University of Oxford.

The college has a Remuneration Committee which consists of four persons who are not in receipt of remuneration from the college of whom three are not members of Governing Body. The Committee makes recommendations to Governing Body on Fellows allowances and College Officer stipends.

Trustees of the college fall into the following categories:

Principal and Official Fellows, Professorial Fellows, Supernumerary Fellows, Senior Research Fellows and Junior Research Fellows.

The Principal and Official Fellows are the Head of House, Bursar and Development Director who work full time on management and fundraising.

Some trustees are eligible for college housing schemes. 33 trustees receive a housing allowance which which is disclosed within the salary figures below. 4 trustees lives in a house owned jointly with the college. One such house was bought during the year, and none were sold.

Some trustees receive allowances for additional work carried out as part time college officers.

For example, the Senior Tutor, Dean, Tutor for Admissions, Tutor for Graduates and the Investment Bursar.

These amounts are included within the remuneration figures below.

The total remuneration and taxable benefits as shown below is £1,366,993 (2017-18 £1,217,361).

The total of pension contributions is £177,286 (2017-18 £160,036).

Remuneration paid to trustees

Range	2019		2018	
	Number of trustees	Gross remuneration, taxable benefits and pension contributions £	Number of trustees	Gross remuneration, taxable benefits and pension contributions £
£3,001-£4,000			1	3,829
£8,001-£9,000	1	8,384		
£11,001-£12,000	1	11,867	1	11,136
£12,001-£13,000	2	24,270		
£13,001-£14,000	1	13,887		
£20,001-£21,000	1	20,809	1	20,436
£21,001-£22,000	2	42,858	2	43,749
£22,001-£23,000	2	45,007	11	251,591
£23,001-£24,000	11	258,444	3	69,879
£24,001-£25,000	2	48,553		
£25,001-£26,000	1	25,978		
£26,001-£27,000	1	26,474	1	26,798
£28,001-£29,000	1	28,250		
£29,001-£30,000			1	29,905
£31,001-£32,000			1	31,397
£32,001-£33,000	1	32,954	1	32,178
£33,001-£34,000	1	33,063		
£41,001-£42,000	1	41,521		
£42,001-£43,000			1	42,607
£44,001-£45,000			1	44,120
£46,001-£47,000	1	46,351		
£47,001-£48,000			1	47,838
£49,001-£50,000	1	49,005		
£52,001-£53,000	1	52,887	1	52,155
£54,001-£55,000	2	109,096		
£55,001-£56,000			1	55,372
£57,001-£58,000			1	57,044
£61,001-£62,000			1	61,563
£63,001-£64,000	1	63,014		
£68,001-£69,000			1	68,252
£71,001-£72,000	1	71,624		
£74,000-£75,000			1	74,213
£86,000-£87,000			1	86,863
£97,001-£98,000	1	97,384		
£106,001-£107,000	1	106,692	1	106,436
£1008,001-£109,000	1	108,561		
	39	1,366,933	34	1,217,361

6 trustees are not employees of the college and do not receive remuneration.
All trustees may eat at common table, as can all other employees who are entitled to meals while working.

Trustee expenses

No Fellow claimed any expenses for work as a Trustee (2017/18: £0).
See also note 26 Related Party Transactions

Key management remuneration

The total remuneration paid to key management was £268k (2018: £223k).
Key management are considered to be the Deputy Bursar, the Domestic Bursars and the Registrar and Director of Admissions.

20 PENSION SCHEMES

The College participates in the Universities Superannuation Scheme and the University of Oxford Staff Pension Scheme on behalf its fellows and staff.

As explained in the accounting policies, due to insufficient information being available to enable the College to use defined benefit accounting for these schemes, in accordance with the provisions of FRS 102 both schemes are accounted for as if they were defined contribution schemes.

Both schemes have put in place agreements for additional contributions to fund their past service deficits and the College has recognised a liability for the present value of the future contributions that it estimates will be payable as a result of these deficit funding agreements as explained below and reported in note 8.

Universities Superannuation Scheme ('USS')

The pension charge for the year in the Statement of Financial Activities includes £1,525(2018 - £224k) in relation to the USS. This represents normal contributions of £359k (2018 - £297k) payable to the USS together with the cost of the increase in the deficit funding liability between the opening and closing balance sheet dates of £1,166k (2018 - £(73)k).

Following changes to the USS, this scheme now comprises two parts, USS Retirement Income Builder which is a defined benefit arrangement and USS Investment Builder which is a defined contribution arrangement.

The latest triennial actuarial valuation of the USS defined benefit liabilities was carried out as at 31 March 2017 to meet the requirements of the Pensions Act 2004 and was published in January 2019. This actuarial valuation showed a shortfall of £7.5bn in the USS with the scheme assets being sufficient to cover 89% of its 'technical provisions' liabilities.

Over the course of 2018 the USS stakeholders on the Joint Negotiating Committee (UUK and UCU) appointed a panel to review this 2017 valuation and this resulted in a number of recommendations being made. However, as the statutory deadline for completing the 2017 valuation had already passed by this point, it was concluded that the most appropriate way for the Trustee to address such fundamental recommendations properly was to embark on a new valuation as at 31 March 2018. This further actuarial valuation has now been completed and on 13 September 2019 the contribution rates required of members and employers under the 2018 valuation were confirmed.

Following the 2017 valuation the actuary determined that the USS funding rates should increase from a total of 26% of salaries (employer 18%, employee 8%) to 28.3% of salaries (employer 19.5%, employee 8.8%) from 1 April 2019 with further proposed increases at 1 October 2019 and again at 1 April 2020. Although the initial increases were implemented, the further increases have been replaced by amended contribution rates based on the 2018 valuation.

The overall contribution rate from 1 October 2019 required to fund the current benefit arrangements will now be 30.7% of salaries from 1 October 2019 until 30 September 2021 (employer 21.1%, employee 9.6%) and 34.7% from 1 October 2021 (employer 23.7%, employee 1%) (subject to a 2020 valuation).

Following the completion of the 2018 actuarial valuation, a new deficit recovery plan has also been agreed which amends the deficit recovery plan as set out in the 2017 valuation Schedule of Contributions. This new plan includes in the contributions above deficit payments of 2% of salaries from 1 October 2019 to 30 September 2021 and then payments of 6% of salaries from 1 October 2021 to 31 March 2028.

The College has used a financial modeller to estimate the expected future deficit funding contributions payable and the present value of this amount is recognised as a liability in the balance sheet. Changes in the estimated amount of this deficit funding liability each year are shown on the Statement of Financial Activities. For the year ended 31 July 2019 the College's provision for the USS deficit funding liability was £1,678k (2018 - £512k). No adjustment has been made to reflect the revised deficit recovery plan agreed after the year end. With the revised discount rate relevant to the length of the recovery plan of 1.30% and assuming all other assumptions used to calculate the provision remain unchanged, this would have resulted in a revised consolidated provision of £945k a decrease of £733k from the current consolidated year end provision and a reduction in the charge to the Consolidated Statement of Financial Activities of £733k.

Further details on the Actuarial Valuations of the USS can be found on the USS website <https://www.uss.co.uk/how-uss-is-run/2018-valuation/2018-valuation-updates/13-september-2019>

Oxford Staff Pension Scheme "OSPS"

The pension charge for the year includes £610k (2018 - £521k) in relation to the OSPS. This represents contributions of £335k payable to the OSPS as adjusted by the change in the deficit funding liability between the opening and closing balance sheet dates of £275k.

The latest formal actuarial valuation of OSPS was carried out as at 31 March 2016 to meet the requirements of the Pensions Act 2004 and was published in April 2017. This valuation showed the scheme assets as £527.8m, being sufficient to cover 80% of its liabilities of £660.7m on a technical provisions basis with an overall shortfall of £132.9m. The latest actuarial update at 31 March 2018 shows an increase in this shortfall to £191.8m which represents a funding level of 78%, although a subsequent informal update at the end of August 2018 showed that the funding level was estimated to be comfortably above 80%.

Based on the 2016 valuation, the University completed a consultation with active members of the scheme regarding the benefits payable from the scheme in the future. Following this a number of changes were made including from 1 April 2017 changing the basis used for indexation under the scheme, from 1 October 2017 closing the defined benefits scheme to new entrants and from 1 April 2018 changing the benefits structure from benefits being linked to salary at retirement to being calculated on a career average basis and increasing the rates of member contribution (for the standard cost plan from 6.6% to 8%). Reflecting the above changes from 1 April 2018 the net cost to the employers of future benefits reduced from 22.1% to 17.3% of pensionable salaries.

The trustee and University have agreed a recovery plan under which the employers are paying 19% from August 2017 for both defined benefits members and defined contributions members who join on or after 1 October 2017. Part of the contributions for defined contribution members is paid to the defined benefit section to cover the deficit recovery plan, the provision of ill-health and death-in service benefits and the expenses of administering the defined contribution section. In addition, the employers will continue to reimburse the scheme in respect of Pension Protection Fund (PPF) and other levies collected by the Pensions Regulator. These contributions, together with an allowance for the Scheme's assets to return 2.5% per annum above gilt yields, are expected to eliminate the technical provision deficit by 30 June 2027.

A provision of £1,087k has been included in the financial statements as at 31 July 2019 (2018 - £811k) for the present value of the estimated future deficit funding element of the contributions payable under this recovery plan 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 University of Oxford website <https://www.admin.ox.ac.uk/finance/epp/pensions/schemes/osps/publications/>

21 TAXATION

The College is able to take advantage of the tax exemptions available to charities from taxation in respect of income and capital gains received to the extent that such income and gains are applied to exclusively charitable purposes.

No liability to corporation tax arises in the College's subsidiary company because the directors of this company have indicated that they intend to make donations each year to the College equal to the taxable profits of the company under the Gift Aid scheme. Accordingly no provision for taxation has been included in the financial statements.

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

	2019 Group £'000	2018 Group £'000
Net income	1,351	4,850
Elimination of non-operating cash flows:		
Investment income	(3,109)	(2,413)
Gains in investments	(1,745)	(3,170)
Endowment donations	-	(718)
Depreciation	704	659
Decrease/(Increase) in stock	5	(6)
Decrease in debtors	70	57
Increase in creditors	475	232
Increase in pension scheme liability	1,443	100
Coupon on Private Placement paid	504	252
Net cash used in operating activities	(302)	(157)

23 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019 £'000	2018 £'000
Cash at bank and in hand	4,715	5,999
Total cash and cash equivalents	<u>4,715</u>	<u>5,999</u>

24 FINANCIAL COMMITMENTS

	2019 £'000	2018 £'000
The totals of future minimum lease payments under non-cancellable operating leases for each of the following periods were:		
Land and buildings		
Not later than one year	159	295
Later than one year and not later than five years	320	341
Later than five years	68	128
	<u>547</u>	<u>764</u>
Other		
Not later than one year	20	20
Later than one year and not later than five years	7	27
	<u>27</u>	<u>47</u>

25 CAPITAL COMMITMENTS

The College had no contracted commitments at 31 July 2019 for future capital projects totalling (2018: £0k)

26 RELATED PARTY TRANSACTIONS

The College is part of the collegiate University of Oxford. Material interdependencies between the University and of the College arise as a consequence of this relationship. For reporting purposes, the University and the other Colleges are not treated as related parties as defined in FRS 102

Members of the Governing Body, who are the trustees of the College and related parties as defined by FRS 102, receive remuneration and facilities as employees of the College. Details of these payments and reimbursed expenses as trustees are disclosed separately in these financial statements.

No trustees had loans outstanding from the College at the start and/or end of the year.

The College has properties with the followings net book values owned jointly with trustees under joint equity ownership agreements between the trustee and the College.

	2019 £'000	2018 £'000
B Frellesvig	17	20
D Dwan	173	180
R Zubek	177	184
G Wright and S Waddell	<u>194</u>	

All joint equity properties are subject to sale on the departure of the trustee from the College. The trustees pay rent to the College on the College owned share of the properties at the assessed current market rate.

27 CONTINGENT LIABILITIES

There are no obligations arising from events occurring before the date of the balance sheet whose existence will be confirmed

28 POST BALANCE SHEET EVENTS

Universities Superannuation Scheme ('USS')

Following the completion of the 2018 actuarial valuation, a new deficit recovery plan has been agreed which amends the deficit recovery plan as set out in the 2017 valuation Schedule of Contributions. Further details are set out in Note 20. This new plan includes in the contributions above deficit payments of 2% of salaries from 1 October 2019 to 30 September 2021 and then payments of 6% of salaries from 1 October 2021 to 31 March 2028.

The College has used a financial modeller to estimate the expected future deficit funding contributions payable and the present value of this amount is recognised as a liability in the balance sheet. Changes in the estimated amount of this deficit funding liability each year are shown on the Statement of Financial Activities. For the year ended 31 July 2019 the College's provision for the USS deficit funding liability was £1,678k (2018 – £512k). No adjustment has been made to reflect the revised deficit recovery plan agreed after the year end. With the revised discount rate relevant to the length of the recovery plan of 1.30% and assuming all other assumptions used to calculate the provision remain unchanged, this would have resulted in a revised consolidated provision of £945k a decrease of £733k from the current consolidated year end provision and a reduction in the charge to the Consolidated Statement of Financial Activities of £733k.

Further details on the Actuarial Valuations of the USS can be found on the USS website <https://www.uss.co.uk/how-uss-is-run/2018-valuation/2018-valuation-updates/13-september-2019>