

PRINCIPAL FELLOWS AND SCHOLARS OF HERTFORD COLLEGE IN THE UNIVERSITY OF OXFORD

England & Wales · Charity number 1137527

Details

Other names HERTFORD COLLEGE

Status Registered

Legal form Other

Registered 2010-08-17

Register [View on the Charity Commission register](#)

Contact

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Oxford
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Activities

Objects: TO ADVANCE PUBLIC LEARNING BY THE PROVISION OF A COLLEGE WITHIN THE UNIVERSITY OF OXFORD.

Activities: The charity's objects are to advance public learning by the provision of a College within the University of Oxford

Classification

- **How:** Makes Grants To Individuals, Provides Buildings/facilities/open Space, Provides Services, Sponsors Or Undertakes Research
- **What:** Education/training
- **Who:** Children/young People, The General Public/mankind

Geography

- **Area of benefit:** OXFORDSHIRE
- Oxfordshire

Finances

Period end	Income	Expenditure	Assets	Employees
2025-07-31	£16,607,000	£15,429,000	£114,064,000	155
2024-07-31	£18,287,000	£12,296,000	£106,632,000	192
2023-07-31	£13,577,000	£13,820,000	£91,915,000	154
2022-07-31	£12,138,000	£14,444,000	£92,978,000	235
2021-07-31	£16,445,000	£11,252,000	£97,674,000	203

Trustees

Name	Role	Appointed
Dr Alexandra Freeman	Chair	2026-03-17
Claire Vallance		
DR JIEUN KIAER		
Dr ALAN LAUDER		
Dr Andreas Galanis		2018-09-01
Dr Aruna Nair		2019-09-01
Dr Carissa Veliz		2020-09-01
Dr Catherine Sloan		2019-10-30
Dr Elizabeth Mortimer		2022-09-01
Dr Federica Romei		2020-09-01
Dr Fernanda Duarte Gonzalez		2018-10-15
Dr KATHERINE LUNN-ROCKLIFFE		
Dr Kate Greasley		2018-08-01
Dr Lambros Malafouris		2020-07-01
Dr Linda Speight		2021-10-09
Dr Louise Slater		2018-08-01
Dr Mark Van der Wilk		2023-09-01
Dr OLIVER NOBLE WOOD		
Dr STEVE NEW		
Dr Vladyslav Vyazovskiy		2020-09-01
Dylan Gaffney		2023-09-01
Emma Smith		
Jamie Clark		2017-04-26
Maria Vincenzi		2024-07-15
PROF PETER MILLICAN		
PROF ZHANFENG CUI		
PROFESSOR DAVID GREAVES		2014-03-21

Name	Role	Appointed
PROFESSOR DAVID THOMAS		
PROFESSOR GIORA STERNBERG		2012-11-14
Professor Alison Woollard		
Professor Anette Mikes		2019-08-01
Professor Bjarke Frellesvig		1999-01-01
Professor David Dwan		2014-10-01
Professor David Hopkin		
Professor Dawid Kielak		2020-07-01
Professor Elizabeth Baldwin		2017-09-01
Professor Ian McBride		2016-10-01
Professor JAMIE LORIMER		2012-11-14
Professor MARTIN MAIDEN		
Professor Manolis Chatzis		2013-09-01
Professor Michael Wooldridge		2014-10-01
Professor Petros Ligoxygakis		2018-09-01
Professor RADOSLAW ZUBEK		
Professor Siddharth Giridhar Ashok Parameswaran		2017-08-01
Thomas Morstyn		2023-10-30

Accounts

Hertford College

Annual Report and Financial Statements

Year ended 31st July 2025

Hertford College
Annual Report and Financial Statements for the year ended 31st July 2025

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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 during year or subsequently are detailed below.

Governing Body Fellow	College Office (some overlaps)	(1)	(2)	(3)	(4)
Professor E Baldwin			•		
Professor E Chatzis		•			
Mr J K Clark	Bursar		•	•	•
Professor Z F Cui					
Professor F Duarte	Tutor for Equality & Diversity				
Dr D Dwan	Harassment Advisor	•			
Mr T Fletcher (Resigned 17.11.24)	Principal	•	•	•	•
Professor B M Frellesvig	Tutor for Graduates	•		•	•
Dr D Gaffney					
Dr A Galanis	Student Conduct Officer				
Dr K Greasley					
Professor D Greaves					
Professor D M Hopkin					•
Dr J Kiaer	Dean of Degrees				
Professor D Kielak	SCR Steward		•		
Professor A G Lauder	Senior Tutor	•		•	•
Professor P Ligoxygakis					
Dr J Lorimer					
Dr K Lunn-Rockliffe	Prevent Lead				
Professor I McBride					
Professor M Maiden					•
Dr L Malafouris					
Professor A Mikes				•	
Professor P J R Millican					
Dr T Morstyn					
Dr E Mortimer				•	
Dr A Nair	Harassment Advisor		•		
Dr S J New	Senior Fellow		•		•
Dr O J Noble Wood		•			
Professor S Parameswaran	Fellow for Research	•			
Professor P F Roche	(Interim Principal from 18.11.24)	•	•	•	•

Hertford College
Governing Body, Officers and Advisers
Year ended 31st July 2025

Governing Body Fellow	College Office (some overlaps)	(1)	(2)	(3)	(4)
Dr F Romei					•
Dr L Slater (until 30.4.25)				•	
Dr C Sloan	Porter Fellow, Secretary to GB	•			
Professor E Smith	Fellow Librarian, Pro Principal	•		•	
Dr L Speight		•			
Professor G Sternberg			•		
Professor D Thomas (until 01.09.24)					
Professor C Vallance	Senior Tutor	•		•	•
Dr M Van der Wilk					
Dr M Vincenzi					
Dr C Veliz	Independent Prevent Monitor				
Dr Vyazovskiy	Dean of Degrees, Dean				•
Professor M Wooldridge	Development Fellow			•	
Professor A C S Woollard		•			
Professor R G Zubek					

During the year the activities of the Governing Body were carried out through various committees and Officers. Membership of the main committees is shown above for each Fellow.

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

COLLEGE SENIOR STAFF

The senior staff of the College to whom specific aspects of day to day management were delegated during the course of the year, and who are regarded as Key Management Personnel, was as follows.

College Accountant	<i>Mrs Judi Banks</i>
Domestic Bursar	<i>Mr James Hill</i>
Registrar and Director of Admissions	<i>Ms Megan Roper</i>

COLLEGE ADVISERS

Investment managers

Rathbones Group PLC
30 Gresham Street
London
EC2V 7QN

Oxford University Endowment Management
27 Park End Street
Oxford OX1 1HU

Auditor

Crowe U.K. LLP
55 Ludgate Hill
London
EC4M 7JW

Bankers

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

Solicitors

Knights 1759
Midland House
West Way
Botley
Oxford OX2 0PH

Property Valuers

Allcott Associates
The Fosse
Fosse Way
Redford Semele
Warwickshire CV31 1XN

Taxation Advisers

Davies Mayer Tax Advisers LLP
8 Gainsborough House
Campden Business Park
Chipping Campden
Gloucestershire GL55 6JX

College address

Hertford College, Cattle street, Oxford OX1 3BW

Website

www.hertford.ox.ac.uk

HERTFORD COLLEGE

Report of the Governing Body

Year ended 31 July 2025

REPORT OF THE GOVERNING BODY

The Members of the Governing Body present their Annual Report for the year ended 31st July 2025 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 4.

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 Oxford Living Wage, which is set at a level above the National Living Wage.

The remuneration of Fellows is set by the Governing body in line with guidelines set by the Governance Review Committee by reference to the annual (anonymised) survey of College Officers and Fellows' Benefits conducted by the Conference of Colleges.

Organisational management

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

HERTFORD COLLEGE

Report of the Governing Body

Year ended 31 July 2025

- 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 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.

The day-to-day running of the College is delegated to the Bursar. The Bursar attends all meetings of the Governing Body's main Committees, except Academic Committee.

Group structure and relationships

The College administers a number of special trusts, as detailed in Notes 17 and 18 to the financial statements.

The College has two wholly-owned non-charitable subsidiaries. Hertford College Programmes started trading on 1st August 2010, and its activities primarily comprise conferences and English Language programmes which use the College's facilities when not in use by the College. Annual profits are donated to the College under the Gift Aid Scheme. Hertford College Design and Build started trading on 13th March 2020, and its activities comprise designing, commissioning and constructing new estates facilities for the College. Annual profits are donated to the College under the Gift Aid Scheme.

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.

The aims of the College's subsidiaries are to help to fund, or otherwise support, 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. During the year, the College had approximately 425 undergraduates, 297 postgraduates, and 36 fellows who have contractual obligations to teach as well as 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,

HERTFORD COLLEGE

Report of the Governing Body

Year ended 31 July 2025

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. 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 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 (and the EU in some circumstances) 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 the UK, 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. In 2024/25 a total of £530k was spent on student support.

- Hertford College undergraduate students benefit from **Bursaries** provided directly by the College and also from bursaries jointly funded with the University. A total of 100 students benefited at a total cost of £199k
- **Graduate funding** is also provided in the form of scholarships and grants. The College awarded a total of £264k in 2024/25 for this purpose.
- The College also offers **Student Support** in the form of grants to both undergraduate and graduate students who experience unexpected financial hardship, for academic related travel, or as rent subsidies. In 2024/25 the College distributed £67k to support students in this way.

HERTFORD COLLEGE

Report of the Governing Body

Year ended 31 July 2025

ACADEMIC REVIEW

During the 2024-25 academic year twelve new stipendiary lecturers joined us, and we appointed a further five non-stipendiary lecturers, though one of these, Dr Oliver Chandler, become our permanent Stipendiary Lecturer and Subject Lead in Music following the mid-year departure of Dr Benjamin Skipp, who had held those roles for many years prior to taking up a career development opportunity elsewhere.

We also thanked Prof. Claire Vallance for the excellent work she accomplished during her three-year tenure as Senior Tutor. Prof. Alan Lauder, Fellow and Tutor in Mathematics, took up the reins in September. Dr Maria Vincenzi started teaching her first cohort of students as our new Fellow & Tutor in Physics. In being awarded the UKRI Future Leaders Fellowship, she joined several other Fellows in gaining highly competitive accolades in the 2024-25 academic year. These included Prof. Elizabeth Baldwin being awarded the Teaching Excellence Award from the Social Sciences Division; Prof. Anette Mikes being awarded an honorary doctorate from Uppsala University; and Prof. Jamie Lorimer winning a Leverhulme Fellowship to support his ongoing research on the development of plant-based diets.

Following the UCAS Confirmation cycle in August 2024, we welcomed an undergraduate fresher cohort of 113 (plus one returning student resuming first-year study in Hilary term) in October 2024. This was larger than the previous year's cohort but still smaller than pandemic-era cohorts, as the majority of results were unaffected by pandemic-related disruptions or adjustments. The proportion of the cohort who were UK students continued to decline slightly from 85% to 82%. The undergraduate admissions round which took place in 2024-25 saw the most substantial decline in several years in the proportion of offers being made to UK state school students, falling from 83% to 72% of all UK-domiciled offerholders. We are proud that our incoming cohort for October 2024 included eight Opportunity Oxford participants, further increasing the reach of our enhanced support for students coming from significantly disadvantaged backgrounds.

The College welcomed 119 new postgraduate students for 2024-25, of which 74 were taught master's students and 45 were research students. We supported 24 graduate students with full or partial funding for course fees and/or living stipends, and are continuing to review our graduate scholarship provision for the coming years in line with various funding opportunities and our strategic objectives.

Our outreach work continues to centre around our link regions of Camden, Essex, Southend-on-Sea, Thurrock, Medway, and Peterborough, with a particular focus on building relationships with schools who have never or rarely been engaged with Hertford or Oxford more generally. In addition to this, the Admissions & Outreach team carried out three successful Open Days, and represented Oxford at selected UCAS regional fairs. Due to the library construction, the majority of our outreach events this year were outbound or online events. We have continued to offer a monthly Teachers' Bulletin to teachers in our link regions during term-time, and piloted a new webinar series for teachers from our link regions to help them feel more prepared to support high-achieving students who may consider applying to Oxford.

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Report of the Governing Body

Year ended 31 July 2025

FINANCIAL REVIEW

The Financial Statements for 2024/25 follow the requirements of FRS102.

Trading income (conference and events business) continued to grow, with the net contribution increasing to almost £1.9m.

The decrease in Investment income is largely attributable to the planned divestment of assets to fund the Library renovation project.

The increase in reported Expenditure on charitable activities reflects a return to a normal level, without the exceptional movement in pension reserves included for the prior year.

A net income of £1.178m, with a further £6.254m of investment gains, increased net College funds by 7% to a total of £114,064m (£106,632m. 2024). Of this, £78.14m is held as Endowment funds (£75.249m 2024).

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 £21.977m, representing retained unrestricted income reserves, excluding an amount of £10.286m for the book value of fixed assets. 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 subsidiaries at the year-end included endowment capital of £78.14m and unspent restricted income funds totalling £3.661m

The Fellows have assessed the College's ability to continue as a going concern. The Fellows have considered several factors when forming their conclusion as to whether the use of the going concern basis is appropriate when preparing these financial statements, including a review of updated forecasts, and a consideration of key risks. The College has a large endowment, and financial performance continues to be monitored regularly. The Fellows have scrutinised the key assumptions within the financial budget and forecast, and are satisfied that the current level of free reserves, available investment and cash balances are adequate to meet the College's obligations as they fall due. Having regards to the above, the Fellows are satisfied that there are no material uncertainties around the decision to adopt the going concern basis of accounting in preparing these financial statements.

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. The College identifies and regularly 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.

Principal risks are assessed by the Treasury Committee, and more detailed risks by other committees (e.g. Health and Safety Committee), College Officers and Heads of Department. 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 subsidiaries include:

- Governance risks – e.g. inappropriate organisational structure, difficulties recruiting trustees with

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Report of the Governing Body

Year ended 31 July 2025

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:

- Operating structured and formalised processes for the identification, assessment, and management of the response to risk.
- Establishing the appropriate committees to ensure oversight of all key activities, with responsibility 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;
- Ensuring the appropriate insurance policies are in place, and reviewed regularly.

Fundraising

We remain grateful to all our supporters. Together, over 765 donors gave £2.064m in the 2024-25 financial year. Donations were made to a variety of different projects including student financial aid, academic posts, and buildings. The new library continued to be a strong focus for support. Donations were received from alumni and other friends of the College.

The College appointed a new and experienced interim Development Director this year to oversee our fundraising and alumni activities. The College also committed to further investment in the development team to ensure they are sufficiently resourced to meet their fundraising goals.

Hertford College is committed to following best practice in relation to all fundraising activities. The Development Director sits on Governing Body and convenes the termly Development Committee, which provides oversight of all fundraising and alumni relations activity in college. Hertford is registered with the Fundraising Regulator and has protocols and procedures in place to ensure that fundraising is open, honest, and respectful, adhering to legal and industry-specific guidelines. Hertford does not engage any professional third parties to carry out fundraising activities on its behalf.

Investment policy, objectives and performance

The College's Statement of Investment Principles sets out the following aims:

- 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

HERTFORD COLLEGE

Report of the Governing Body

Year ended 31 July 2025

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 (financial and property) was £131m (2024 £125m), of which £82m represents endowed or restricted funds. The total investment income was c. 2.9% gross (average value).

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

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

To meet these objectives the College's investments of its permanent endowed funds are managed on a total return basis, maintaining diversification across a range of asset classes in order to produce an appropriate balance between risk and return. In line with this approach, the College statutes allow the College to invest permanent endowments to maximise the related total return and to make available for expenditure each year an appropriate proportion of the unapplied total return. The value date for establishing the initial values of the Investment Fund and the Unapplied Total Return was 31st July 2009.

The investment strategy, policy and performance is monitored by the Investment Committee. At the year end, the College's long term investments (endowment only), combining securities and property investments, totalled £78.14m. Direct income earned on these investments amounted to £2.3m, and net value gains were £3.9m.

Under the total return accounting basis, it is the Governing Body's policy to extract as income 4.25% of the value of the relevant investments. However, to smooth and moderate, the amounts withdrawn are calculated on the average of the year end values in each of the last five years. Due to fluctuating investment values over the previous five years, the effective amounts withdrawn may vary from the nominal rate. For the year ending July 31st 2025, an amount of £3.07m was withdrawn as income. The Governing Body will keep the level of income withdrawn under review to balance the needs and interests of current and future beneficiaries of the College's activities.

The Governing body is satisfied that the overall performance of investment activities for the year has met the objectives set.

HERTFORD COLLEGE

Report of the Governing Body

Year ended 31 July 2025

FUTURE PLANS

The College is following 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 improved study space – underway), and provision of new facilities (e.g. additional graduate accommodation, sports grounds, etc).

The required capital expenditure is being funded from a combination of reserves, fundraising, and two private bond issues.

STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES

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

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

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

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

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

Approved by the Governing Body on the 3rd of December 2025 and signed on its behalf by:



Mr J K Clark

Bursar



Professor P Roche

Principal

HERTFORD COLLEGE

Report of the Auditors

Year ended 31 July 2025

Independent Auditor's Report to the Trustees of Hertford College

Opinion

We have audited the financial statements of Hertford College for the year ended 31 July 2025 which comprise the Consolidated Statement of Financial Activities, Consolidated and College Balance Sheets, Consolidated Statement of Cash Flows and notes to the financial statements, including 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 the parent charity's affairs as at 31 July 2025 and of the group's income and receipts of endowments 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

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

HERTFORD COLLEGE

Report of the Auditors

Year ended 31 July 2025

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 requires 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 and proper 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, 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 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 of the Charities Act 2011, and report in accordance with the Acts 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the parent charity and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were taxation legislation, the Charities Act 2011 together with the Charities SORP

HERTFORD COLLEGE

Report of the Auditors

Year ended 31 July 2025

(FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the parent charity's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the parent charity and the group for fraud. The other laws and regulations we considered in this context for the group were General Data Protection Regulations and Health and Safety regulations.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within investments, accounting for pension liabilities and the override of controls by management. Our audit procedures to respond to risk of income recognition included selecting a sample of income during the year, agreeing back to the relevant documentation and ensuring it has been recognised correctly. Our audit procedures to respond to the risk of management override included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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 any one 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
Statutory Auditor

London

Date: 11 December 2025

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.

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 subsidiaries Hertford Programmes Limited and Hertford College Design and Build Limited. The subsidiaries have been consolidated from the date of their formation, being the date from which the College has exercised control through voting rights in the subsidiaries. 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 with reference to the latest scheme valuation.

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.

HERTFORD COLLEGE

Statement of Accounting Policies

Year ended 31 July 2025

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.

Total Return accounting principles have been adopted in relation to investments held as part of the permanent endowment.

The carrying value of the trust for investment (the preserved permanent capital) has been taken as the market value of the relevant investments as at 31st July 2009, together with the original gift value of all subsequent endowments received and transfers from the unapplied total return approved by the Governing Body to increase the value of the trust for investment. The balance of the investment unapplied total returns is accumulated as a component of the relevant endowment funds with amounts from this being released to income each year at the discretion of the Governing Body.

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).

HERTFORD COLLEGE

Statement of Accounting Policies

Year ended 31 July 2025

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

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 -50 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.

HERTFORD COLLEGE

Statement of Accounting Policies

Year ended 31 July 2025

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

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 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 subsidiaries 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.

HERTFORD COLLEGE

Statement of Accounting Policies

Year ended 31 July 2025

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 the 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.

Where deficit recovery plans have been in place in past years, the College has recognised its share of the deficit plans placed on both schemes.

Hertford College
Consolidated Statement of Financial Activities
For the year ended 31 July 2025

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2025 Total £'000	2024 Total £'000
INCOME AND ENDOWMENTS FROM:						
Charitable activities:	1					
Teaching, research and residential		7,227	-	435	7,662	7,141
Other Trading Income	3	3,564	-	-	3,564	3,242
Donations and legacies	2	439	1,572	53	2,064	3,926
Investments						
Investment income	4	1,068	359	1,886	3,313	3,975
Total return allocated to income	17	2,686	380	(3,066)	-	-
Other income	5	4	-	-	4	3
Total income		14,988	2,311	(692)	16,607	18,287
EXPENDITURE ON:						
	6					
Charitable activities:						
Teaching, research and residential		6,493	5,336	133	11,962	9,086
Generating funds:						
Fundraising		466	-	-	466	470
Trading expenditure		1,697	-	-	1,697	1,499
Investment management costs		1,136	30	138	1,304	1,241
Total Expenditure		9,792	5,366	271	15,429	12,296
Net Income/(Expenditure) before gains / (losses)		5,196	(3,055)	(963)	1,178	5,991
Net gains/(losses) on investments		2,062	297	3,895	6,254	8,726
Net Income/(Expenditure)		7,258	(2,758)	2,932	7,432	14,717
Transfers between funds	17	(1)	39	(38)	-	-
Other recognised gains/losses						
Gains/(losses) on revaluation of fixed assets		-	-	-	-	-
Actuarial gains/(losses) on defined benefit pension schemes		-	-	-	-	-
Net movement in funds for the year		7,257	(2,719)	2,894	7,432	14,717
Fund balances brought forward	17	25,006	6,380	75,246	106,632	91,915
Prior year fund adjustment		-	-	-	-	-
Funds carried forward at 31 July		32,263	3,661	78,140	114,064	106,632

Hertford College
Consolidated Statement of Financial Activities
For the year ended 31 July 2024

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2024 Total £'000
INCOME AND ENDOWMENTS FROM:				
Charitable activities:				
Teaching, research and residential	6,868	-	273	7,141
Other Trading Income	3,242	-	-	3,242
Donations and legacies	392	3,534	-	3,926
Investments				-
Investment income	1,538	146	2,291	3,975
Total return allocated to income	2,557	363	(2,920)	-
Other income	3	-	-	3
Total income	14,600	4,043	(356)	18,287
EXPENDITURE ON:				
Charitable activities:				
Teaching, research and residential	7,389	1,697	-	9,086
Generating funds:				
Fundraising	470	-	-	470
Trading expenditure	1,499	-	-	1,499
Investment management costs	994	8	239	1,241
Total Expenditure	10,352	1,705	239	12,296
Net Income/(Expenditure) before gains	4,248	2,338	(595)	5,991
Net gains/(losses) on investments	1,471	250	7,005	8,726
Net Income/(Expenditure)	5,719	2,588	6,410	14,717
Transfers between funds	112	(64)	(48)	-
Net movement in funds for the year	5,831	2,524	6,362	14,717
Fund balances brought forward	19,175	3,856	68,884	91,915
Prior year fund adjustment	-	-	-	-
Funds carried forward at 31 July	25,006	6,380	75,246	106,632

Hertford College
Consolidated and College Balance Sheets
As at 31 July 2025

	Notes	2025 Group £'000	2024 Group £'000	2025 College £'000	2024 College £'000
FIXED ASSETS					
Tangible assets	10	20,403	14,970	20,403	14,970
Property investments	11	15,008	13,173	15,008	13,173
Other Investments	12	116,038	112,219	116,038	112,219
Total Fixed Assets		151,449	140,362	151,449	140,362
CURRENT ASSETS					
Stocks		55	35	25	16
Debtors	14	2,320	5,384	2,156	5,377
Cash at bank and in hand		3,410	3,742	788	2,589
Total Current Assets		5,785	9,161	2,969	7,982
LIABILITIES					
Creditors: Amounts falling due within one year	15	(3,170)	(2,891)	(1,855)	(3,136)
NET CURRENT ASSETS		2,615	6,270	1,114	4,846
TOTAL ASSETS LESS CURRENT LIABILITIES		154,064	146,632	152,563	145,208
CREDITORS: falling due after more than one year	16	(40,000)	(40,000)	(40,000)	(40,000)
NET ASSETS BEFORE PENSION ASSET OR LIABILITY		114,064	106,632	112,563	105,208
Defined benefit pension scheme liability	21	-	-	-	-
TOTAL NET ASSETS		114,064	106,632	112,563	105,208
FUNDS OF THE COLLEGE					
Endowment funds		78,140	75,249	78,140	75,249
Restricted funds		3,661	6,380	3,661	6,380
Unrestricted funds					
Designated funds		10,286	15,816	8,785	14,392
General funds		21,977	9,187	21,977	9,187
Revaluation reserve					
Pension reserve	21	-	-	-	-
		114,064	106,632	112,563	105,208

The financial statements were approved and authorised for issue by the Governing Body of Hertford College on 3rd December 2025

Trustee: *Pat Rodda* *P F ROUHE*
Trustee: *SNW* *STEVE NEW*

Hertford College
Consolidated Statement of Cash Flows
For the year ended 31 July 2025

	Notes	2025 £'000	2024 £'000
Net cash provided by (used in) operating activities	23	3,204	(1,260)
Cash flows from investing activities			
Dividends, interest and rents from investments		3,313	3,978
Proceeds from the sale of property, plant and equipment		-	-
Purchase of property, plant and equipment		(8,464)	(2,416)
Proceeds from sale of investments		30,448	11,679
Purchase of investments		(27,920)	(7,843)
Net cash provided by (used in) investing activities		(2,623)	5,398
Cash flows from financing activities			
Coupon on Private Placement Paid		(966)	(966)
Cash inflows from new borrowing		-	-
Receipt of endowment		53	-
Net cash provided by (used in) financing activities		(913)	(966)
Change in cash and cash equivalents in the reporting period		(332)	3,172
Cash and cash equivalents at the beginning of the reporting period		3,742	570
Change in cash and cash equivalents in the reporting period		(332)	3,172
Cash and cash equivalents at the end of the reporting period	24	3,410	3,742

Hertford College
Notes to the financial statements
For the year ended 31 July 2025

1 INCOME FROM CHARITABLE ACTIVITIES

	2025 £'000	2024 £'000
Teaching, Research and Residential		
Unrestricted funds		
Tuition fees - UK and EU students	1,738	1,903
Tuition fees - Overseas students	1,550	1,301
Other fees	1,056	823
Other HEFCE support	187	96
Other academic income	209	152
College residential income	2,487	2,593
	<u>7,227</u>	<u>6,868</u>
Restricted funds		
College residential income	-	-
	<u>-</u>	<u>-</u>
Endowed funds		
College residential income	435	273
	<u>435</u>	<u>273</u>
Total Teaching, Research and Residential	<u>7,662</u>	<u>7,141</u>

The above analysis includes £3465k received from Oxford University from publicly accountable funds under the CFF Scheme, net of College fees received directly (2024: £3,300k).

To support the strategic priority to fund more graduate scholars and to enable outstanding students to take up their places regardless of their financial position, for graduate students with overseas fee status funded through the Clarendon or UKRI scholarship funding schemes, the college share of the fees waived amounted to £94k (2024 £53k). These are not included in the fee income reported above.

2 DONATIONS AND LEGACIES

	2025 £'000	2024 £'000
Donations and Legacies		
Unrestricted funds	439	392
Restricted funds	1,572	3,534
Endowed funds	53	-
	<u>2,064</u>	<u>3,926</u>

3 INCOME FROM OTHER TRADING ACTIVITIES

	2025 £'000	2024 £'000
Subsidiary company trading income	3,203	3,207
Other trading income	361	35
	<u>3,564</u>	<u>3,242</u>

Note 13

4 INVESTMENT INCOME

	2025 £'000	2024 £'000
Unrestricted funds		
Commercial rent	99	49
Equity dividends	473	1,193
Income from fixed interest stocks	178	217
Interest on fixed term deposits and cash	-	-
Bank interest	315	78
	<u>1,065</u>	<u>1,537</u>
Restricted funds		
Equity dividends	163	118
Income from fixed interest stocks	196	28
	<u>359</u>	<u>146</u>
Endowed funds		
Equity dividends	1,806	1,857
Income from fixed interest stocks	280	434
	<u>1,886</u>	<u>2,291</u>
Total Investment income	<u>3,313</u>	<u>3,974</u>

5 OTHER INCOME

Other income represents income from royalties

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6 ANALYSIS OF EXPENDITURE

	2025 £'000	2024 £'000
Charitable expenditure		
Direct staff costs allocated to:		
Teaching, research and residential	5,580	5,325
Other direct costs allocated to:		
Teaching, research and residential	4,210	4,133
Support and governance costs allocated to:		
Teaching, research and residential	2,172	(371)
Total charitable expenditure	11,962	9,087
Expenditure on raising funds		
Direct staff costs allocated to:		
Fundraising	303	332
Trading expenditure	867	737
Other direct costs allocated to:		
Fundraising	136	115
Trading expenditure	101	105
Support and governance costs allocated to:		
Fundraising	27	23
Trading expenditure	729	657
Investment management costs	1,304	1,241
Total expenditure on raising funds	3,467	3,210
Total expenditure	15,429	12,297

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 College Contribution payable of £39k (2024 - £39k).

7 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

	Generating Funds £'000	Teaching and Research £'000	2025 Total £'000
General administration	1,825	564	2,389
Human resources	20	108	128
IT	26	293	319
Depreciation	166	941	1,107
Loss/(profit) on fixed assets	-	-	-
Other finance charges	-	-	-
Governance costs	29	266	295
	2,066	2,172	4,238

	Generating Funds £'000	Teaching and Research £'000	2024 Total £'000
General administration	1,765	672	2,437
Human resources	16	90	106
IT	25	277	302
Depreciation	88	496	584
Loss/(profit) on fixed assets	-	-	-
Other finance charges	2	(2,158)	(2,157)
Governance costs	27	253	280
	1,923	(371)	1,552

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.

	2025 £'000	2024 £'000
Governance costs comprise:		
Auditor's remuneration - audit services	29	27
Auditor's remuneration - tax advisory services	15	5
Legal and other fees on constitutional matters	251	248
	295	280

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.

8 GRANTS AND AWARDS

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

	2025 £'000	2024 £'000
Unrestricted funds		
Grants to individuals:		
Scholarships, prizes and grants	61	68
Bursaries and hardship awards	-	90
Grants to other institutions	-	-
Total unrestricted	61	158
Restricted funds		
Grants to individuals:		
Scholarships, prizes and grants	243	343
Bursaries and hardship awards	225	127
Total restricted	468	470
Total grants and awards	529	628

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

9 STAFF COSTS

The aggregate staff costs for the year were as follows.

	2025 £'000	2024 £'000
Salaries and wages	6,299	6,173
Social security costs	607	500
Pension costs:		
Defined benefit schemes	721	(1,348)
	7,627	5,325

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

	2025	2024
Tuition and research	33	31
College residential	86	88
Fundraising	5	4
Support	31	29
Total	155	152

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

	2025	2024
University Lecturers	18	18
CUF Lecturers	8	8
Other teaching and research	13	12
Other	3	3
Total	42	41

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 £27k in 2024/25 (£13k in 2023/24). All redundancy costs are accounted for in the year in which the decision was made to terminate employment.

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:

	2025	2024
£80,001-£70,000	3	2
£70,001-£80,001	3	3
£80,001-£90,001	-	-
£90,001-£100,001	-	-
£100,001-£110,001	-	-
	6	5

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

In defined benefits schemes	6	5
The College contributions to defined contribution pension schemes totalled	721	(1,348)

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10 TANGIBLE FIXED ASSETS

Group	Assets under construction £'000	Freehold land and buildings £'000	Plant and machinery £'000	Total £'000
Cost				
At start of year	4,018	26,217	85	30,320
Additions	8,099	186	253	6,538
Transfers to Investment properties	-	-	-	-
Disposals	-	-	-	-
At end of year	10,117	26,403	338	36,858
Depreciation and impairment				
At start of year	0	15,342	8	15,350
Depreciation charge for the year	-	1,051	54	1,105
Transfers to Investment properties	-	-	-	-
Depreciation on disposals	-	-	-	-
At end of year	-	16,393	62	16,455
Net book value				
At end of year	10,117	10,010	276	20,403
At start of year	4,018	10,875	77	14,970
College				
	Assets under construction £'000	Freehold land and buildings £'000	Plant and machinery £'000	Total £'000
Cost				
At start of year	4,018	26,217	85	30,320
Additions	8,099	186	253	6,538
Transfers to Investment properties	-	-	-	-
Disposals	-	-	-	-
At end of year	10,117	26,403	338	36,858
Depreciation and impairment				
At start of year	0	15,342	8	15,350
Charge for the year	-	1,051	54	1,105
Transfers to Investment properties	-	-	-	-
On disposals	-	-	-	-
Impairment	-	-	-	-
At end of year	-	16,393	62	16,455
Net book value				
At end of year	10,117	10,010	276	20,403
At start of year	4,018	10,875	77	14,970

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.

11 PROPERTY INVESTMENTS

Group	Other £'000	2025 Total £'000	2024 Total £'000
Valuation at start of year	13,175	13,175	10,063
Transfers	-	-	-
Revaluation gains/(losses) in the year	(92)	(92)	2,342
Additions and improvements at cost	1,925	1,925	768
Valuation at end of year	15,008	15,008	13,173
College			
	Other £'000	2025 Total £'000	2024 Total £'000
Valuation at start of year	13,175	13,175	10,063
Transfers	-	-	-
Revaluation gains/(losses) in the year	(92)	(92)	2,342
Additions and improvements at cost	1,925	1,925	768
Valuation at end of year	15,008	15,008	13,173

12 SECURITIES AND OTHER INVESTMENTS

All investments are held at fair value.

	2025 £'000	2024 £'000
Group investments		
Valuation at start of year	112,219	109,665
New money invested	26,000	47
Amounts withdrawn	(30,448)	(11,679)
Reinvested income	2,078	7,947
Investment management fees	(158)	(152)
Increase / (Decrease) in value of investments	6,347	6,391
Group investments at end of year	116,038	112,219
Investment in subsidiaries	-	-
College investments at end of year	116,038	112,219

Group investments comprise:

	Held in the UK £'000	2025 Total £'000	Held in the UK £'000	2024 Total £'000
Equity investments	23,756	23,756	22,281	22,281
Global multi-asset funds	31,300	31,300	28,504	28,504
Property funds	-	-	571	571
Fixed interest stocks	5,294	5,294	7,315	7,315
Alternative and other investments (OUEM)	26,295	26,295	43,238	43,238
Fixed term deposits and cash	29,392	29,392	10,310	10,310
Total group investments	116,037	116,037	112,219	112,219

13 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.

Hertford College Design and Build Limited (Company Registration Number 12517047), a company limited by guarantee, is a wholly owned subsidiary of the College. It commenced trading on 13th March 2020 and its activities comprise designing, commissioning and constructing new estates facilities for the College.

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

	2025 Hertford College Design and Build £'000	2025 Hertford College Programmes Ltd £'000	2024 Hertford College Design and Build £'000	2024 Hertford College Programmes £'000
Income	315	3,203	91	3,207
Expenditure	(316)	(1,701)	(92)	(1,499)
Donation to College under gift aid	-	(1,503)	(4)	-
Result for the year	(1)	(1)	(5)	1,708
Total assets	78	3,015	38	2,685
Total liabilities	(78)	(3,015)	(39)	(1,383)
Net funds at the end of year	-	-	(1)	1,302

During the year a Gift Aided management charge of £1424k was paid by Hertford College Programmes to the College (2023: £0k). At the year end, a balance of £239k was owed by Hertford College to Hertford College programmes (2023: £1651k).

There was no Gift Aided management charge from Hertford College Design and Build during 2024-25 (2023: £4k). At the year end, a balance of £27k was owed by Hertford College to Hertford College Design & Build (£8k 2023-24)

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14 DEBTORS

	2025 Group £'000	2024 Group £'000	2025 College £'000	2024 College £'000
Amounts falling due within one year:				
Trade debtors	223	311	59	304
Amounts owed by College members	97	138	97	138
Amounts owed by Group undertakings	-	-	-	-
Loans repayable within one year	23	25	23	25
Prepayments and accrued income	1,977	4,910	1,977	4,910
	2,320	5,384	2,156	5,377

15 CREDITORS: falling due within one year

	2025 Group £'000	2024 Group £'000	2025 College £'000	2024 College £'000
Trade creditors	313	466	232	445
Amounts owed to College Members	84	(3)	84	(3)
Amounts owed to Group undertakings	-	-	267	1,659
Taxation and social security	146	140	158	147
Accruals and deferred income	2,440	2,088	926	688
Other creditors	188	200	188	200
	3,171	2,891	1,855	3,136

The opening position for accruals and deferred income has changed from previously published figures due to a correction in prior period values. This is as a result of an overaccrual of private placement coupon charges in 2021.

16 CREDITORS: falling due after more than one year

	2025 Group £'000	2024 Group £'000	2025 College £'000	2024 College £'000
Other creditors	40,000	40,000	40,000	40,000
	40,000	40,000	40,000	40,000

Creditors fall due after more than one year comprise two bonds. The first was entered into in 2017/18, which has a fixed term of 30 years of which 23 remain, with a fixed coupon of 2.52%. These 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. The second bond was entered into during 2020/21 with a fixed term of 30 years and a fixed coupon of 2.31%. These funds will be used to support the significant capital investment in new facilities for the college. In a similar manner to the first bond, a portion of the proceeds has also been designated for long term investment to cover the repayment of the capital.

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17 ANALYSIS OF MOVEMENTS ON FUNDS

	At 1 August 2024 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Total Return £'000	Gains/ (losses) £'000	At 31 July 2025 £'000
Endowment Funds - Permanent							
College Endowment Fund	64,762	1,996	(236)	-	(2,686)	3,350	67,188
Drapers Fellowship Fund (Previously "Drapers Fund")	683	21	(2)	-	(26)	35	709
Mortimer May	1,118	34	(4)	-	(46)	58	1,160
E. M. Vaughan-Williams Trust	693	20	(3)	-	(29)	36	717
Michael Baring Travel Fund	105	3	-	-	(4)	5	109
Roger Van Noorden Economics Fund	693	21	(3)	-	(29)	36	718
Undergraduate bursaries (Endowed)	-	53	-	-	(2)	-	51
Ellis-Barnard History Fellowship	1,750	54	(6)	-	(73)	91	1,816
Other Scholarship Funds	135	4	-	-	(6)	7	140
Student Support	834	26	(3)	-	(35)	43	865
Fellowship Fund	2,358	73	(9)	-	(98)	122	2,446
Drapers Scholarship Fund	734	23	(3)	-	(30)	38	762
Endowment Funds - Expendable							
Carreras Fellowship	685	21	(1)	(19)	-	36	722
Starun Fund	263	8	-	(7)	-	14	278
Armstrong-Macintyre-Markham	355	1	-	(1)	-	2	357
Law Student Support (Previously "BCL") Fund	79	12	(1)	(11)	-	21	100
Total Endowment Funds - College	75,249	2,372	(271)	(38)	(3,066)	3,894	78,140
Restricted Funds							
Undergraduate Bursaries	150	20	(103)	-	2	8	77
Carreras Fellowship	113	3	(142)	19	-	6	(1)
Drapers	-	-	-	-	-	-	-
Drapers Fellowship	163	5	(204)	-	28	9	1
Drapers Scholarship	143	34	(133)	-	30	8	82
Mortimer May	147	4	(54)	-	46	8	151
E. M. Vaughan-Williams Trust	240	9	(22)	-	29	13	269
Janeway Restricted Fund	53	2	(6)	-	-	3	52
Unspent income of other Funds above	505	30	(221)	20	111	27	472
Other Funds	3,543	1,783	(4,084)	-	35	146	1,423
Matched Library	1,028	31	(2)	-	-	54	1,111
General Fellowships	296	9	(395)	-	98	16	24
Total Restricted Funds - College	6,381	1,930	(5,386)	39	379	298	3,661
Unrestricted Funds							
General	9,187	12,303	(8,943)	4,683	2,685	2,062	21,977
Fixed asset designated	14,970	-	-	(4,684)	-	-	10,286
Designated Library fund	849	-	(849)	-	-	-	(0)
Pension Reserve	-	-	-	-	-	-	-
Total Unrestricted Funds - College	25,006	12,303	(9,792)	(1)	2,685	2,062	32,263
Unrestricted funds held by subsidiaries	-	-	-	-	-	-	-
Total Unrestricted Funds - Group	25,006	12,303	(9,792)	(1)	2,685	2,062	32,263
Total Funds	106,636	16,605	(15,429)	-	(2)	6,254	114,064

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	At 1 August 2023 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Total Return £'000	Gains/ (losses) £'000	At 31 July 2024 £'000
Endowment Funds - Permanent							
College Endowment Fund	59,260	2,203	(209)	-	(2,558)	6,064	64,760
Drapers Fellowship Fund (Previously "Drapers Fund")	626	23	(2)	-	(29)	64	682
Mortimer May	1,023	38	(4)	-	(44)	105	1,116
E. M. Vaughan-Williams Trust	634	23	(2)	-	(27)	65	693
Michael Baring Travel Fund	95	4	-	-	(4)	10	105
Roger Van Noorden Economics Fund	633	24	(2)	-	(27)	65	693
Ellis-Barnard History Fellowship	1,601	60	(6)	-	(69)	164	1,750
Other Scholarship Funds	124	5	-	-	(6)	12	135
Student Support	764	28	(3)	-	(34)	79	834
Fellowship Fund	2,158	80	(8)	-	(93)	221	2,358
Drapers Scholarship Fund	671	25	(2)	-	(29)	89	734
Endowment Funds - Expendable							
Carreras Fellowship	641	25	(1)	(24)	-	44	685
Starun Fund	246	10	(1)	(9)	-	17	263
Armstrong-Macintyre-Markham	353	1	-	(1)	-	2	355
Law Student Support (Previously "BCL") Fund	53	15	(1)	(14)	-	26	79
Total Endowment Funds - College	68,882	2,564	(241)	(48)	(2,920)	7,007	75,246
Restricted Funds							
Undergraduate Bursaries	80	65	-	-	-	5	150
Carreras Fellowship	81	3	-	24	-	5	113
Drapers Fellowship	121	5	-	-	29	8	163
Drapers Scholarship	177	34	(20)	(83)	29	6	143
Mortimer May	109	4	(17)	-	44	7	147
E. M. Vaughan-Williams Trust	217	10	(29)	-	27	15	240
Janeway Restricted Fund	65	3	(19)	-	-	4	53
Unspent income of other Funds above	488	63	(211)	24	107	34	505
Other Funds	1,402	3,450	(1,407)	(28)	34	92	3,543
Matched Library	931	36	(2)	-	-	63	1,028
General Fellowships	184	7	-	-	93	12	296
Total Restricted Funds - College	3,855	3,680	(1,705)	(64)	363	251	6,380
Unrestricted Funds							
General	6,577	12,043	(10,350)	(3,108)	2,557	1,468	9,187
Fixed asset designated	13,905	-	-	1,065	-	-	14,970
Designated Library Fund	849	-	-	-	-	-	849
Pension Reserve	(2,155)	-	-	2,155	-	-	-
Total Unrestricted Funds - College	19,176	12,043	(10,350)	112	2,557	1,468	25,006
Unrestricted funds held by subsidiaries	-	-	-	-	-	-	-
Total Unrestricted Funds - Group	19,176	12,043	(10,350)	112	2,471	1,468	25,006
Total Funds	91,913	18,287	(12,296)	-	(86)	8,726	106,632

The opening position for unrestricted funds has changed from previously published figures due to a correction in prior period values. This is as a result of an overaccrual of private placement coupon charges in 2021.

Transfers between funds :-

Carreras Endowment/Carreras General

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.

Endowment Funds (continued)

	Unapplied total return £000	Permanent capital £000	Total endowment £000
Balance at 1 August 2024	16,010	57,854	73,864
Income and gains			
Capital receipt		53	53
Investment income	2,332	-	2,332
Investment gains / (losses)	3,766	-	3,766
Total income and gains	6,098	53	6,151
Application of total return	(3,066)	-	(3,066)
Fees and transfers			
Investment management fees	(268)	-	(268)
RPI adjustment	0	0	-
Total fees and transfers	(268)	0	(268)
Net movement in year	2,764	53	2,817
Balance at 31st July 2025	18,774	57,907	76,681

The Trustees have adopted a duly authorised policy of total return accounting for the College investment returns with effect from 1 August 2019. The investment return to be applied as (income is calculated as 4.25% of the average of the year-end values of the relevant investments in each of the last 5 years (or the period since the original donation, if that is less than five years). The preserved (frozen) value of the invested endowment capital represents its open market value at 31st July 2009 together with all subsequent endowments valued at date of gift.

Endowment funds (continued)

	Trust for Investment 2024 £000	Unapplied total return 2024 £000	Net Income and gains £000	Application of total return 2025 £000	Trust for Investment 2025 £000	Unapplied total return 2025 £000	Total Endowment 2025 £000
Funds							
Mortimer May	868	250	88	(46)	868	292	1,160
Drapers Fellowship Fund	543	140	54	(28)	543	166	709
E. M. Vaughan-Williams Trust	538	155	53	(29)	538	179	717
Michael Baring Travel Fund	82	23	8	(4)	82	27	109
Roger Van Noorden Economics Fund	612	80	55	(29)	612	106	718
Undergraduate bursaries (Endowed)	0	0	53	(2)	53	(2)	51
Ellis-Barnard History Fellowship	1,534	216	139	(73)	1,534	282	1,816
Fellowship Fund	1,836	522	186	(98)	1,836	610	2,446
Student Support	751	83	66	(35)	751	114	865
Drapers Scholarship Fund	663	71	58	(30)	663	99	762
College Endowment Fund	50,303	14,459	5,112	(2,686)	50,303	16,885	67,188
Other Scholarship Funds	124	11	11	(6)	124	16	140
Funds total	57,854	16,010	5,883	(3,066)	57,907	18,774	76,681

18 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.
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.
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.
Undergraduate Bursaries	An endowed fund, established in 2025, to support undergraduate bursaries at the College
Ellis-Barnard History Fellowship	Established in 2011 to fund the teaching of History.
Other Scholarship Funds	Comprise the Lucy, Lusby, McBride, Meeke, Scholarship Augmentation 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.
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
Armstrong-Macintyre-Markham	Gifts in the 1990s in memory of Angus Macintyre, Felix Markham and John Armstrong
History Fellowship	to support teaching and research by a History Fellow
Law student support (previously known as 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
Janeway Restricted Fund	This Fund was established by donation to support the teaching of Philosophy and Computing.
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	This comprises 47 different funds, covering a variety of college priorities such as scholarships, student societies, subject initiatives and capital projects.
Matched Library	An expendable endowment for the redevelopment or renovation of the library.
General Fellowships	Combined Historic Funds.
	Philosophy and Computing.

Designated Funds

General Unrestricted Funds	Represent accumulated income from the College's activities and other sources that are available for the general purposes of the College.
Designated library fund	This represents unrestricted monies given to the college, which have been designated by the college (rather than the donor) to be spent on the library project
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
Pension Reserve	This Fund sets aside funds for the Deferred Benefit Pension Scheme Liability as required by FRS 102.

The Trustees have adopted a duly authorised policy of total return accounting for the College investment returns with effect from 1 August 2019. The investment return to be applied as income is calculated as 4.25% of the average of the year-end values of the relevant investments in each of the last 5 years (or whole years since the date of donation, where donations have been received within 5 years of the end of the year in question). The preserved (frozen) value of the invested endowment capital represents its open market value in 2009 together with all subsequent endowments valued at date of gift, inflated annually in line with RPI.

19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2025 Total £'000
Tangible fixed assets	20,403	-	-	20,403
Property investments	-	-	15,008	15,008
Other investments	49,232	3,675	63,132	116,038
Net current assets	2,615	-	-	2,615
Long term liabilities	(40,000)	-	-	(40,000)
Pension Scheme Liability	-	-	-	-
	<u>32,263</u>	<u>6,379</u>	<u>78,140</u>	<u>114,064</u>
	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2024 Total £'000
Tangible fixed assets	14,970	-	-	14,970
Property investments	-	-	13,175	13,175
Other investments	43,769	6,379	62,071	112,219
Net current assets	6,270	-	-	6,270
Long term liabilities	(40,000)	-	-	(40,000)
Pension Scheme Liability	-	-	-	-
	<u>25,009</u>	<u>6,379</u>	<u>75,246</u>	<u>106,634</u>

20 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 include the Head of House, Bursar and Development Director who work full time on management and fundraising.

Some trustees are eligible for college housing schemes. 35 trustees receive a housing allowance which is disclosed within the salary figures below. 3 trustees live in a house owned jointly with the college.

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 £1,572,046 (2022-23 £1,506,566).

The total of pension contributions is £219,869 (2022-23 £240,337).

Remuneration paid to trustees

Range	2025		2024	
	Number of trustees	Gross remuneration, taxable benefits and pension contributions £	Number of trustees	Gross remuneration, taxable benefits and pension contributions £
£1,001-£2,000				
£2,001-£3,000				
£3,001-£4,000	1	3,664	1	3,557
£4,001-£5,000			2	8,939
£5,001-£6,000			1	5,496
£7,001-£8,000			1	7,951
£9,001-£10,000			1	9,417
£10,001-£11,000	2	21,527		
£13,001-£14,000	1	13,827	1	13,436
£14,001-£15,000	1	14,479	1	14,437
£16,001-£17,000			1	16,129
£19,001-£20,000	1	19,948		
£24,001-£25,000	1	24,485	2	48,687
£25,001-£26,000	2	51,127	1	25,745
£26,001-£27,000	2	52,816	15	402,737
£27,001-£28,000	14	383,452		
£28,001-£29,000	1	28,856	1	28,586
£29,001-£30,000	2	58,076	1	29,867
£31,001-£32,000			1	31,448
£32,001-£33,000			1	32,488
£34,001-£35,000			1	34,810
£35,001-£36,000	1	35,288		
£37,001-£38,000	1	37,304		
£39,001-£40,000	1	39,436		
£40,001-£41,000			1	40,238
£43,001-£44,000	1	43,198		
£45,001-£46,000	2	91,474		
£47,001-£48,000			2	95,748
£50,001-£51,000	1	50,856		
£55,001-£56,000			1	55,157
£56,001-£57,000	2	113,211		
£63,001-£64,000			4	254,520
£64,001-£65,000	1	64,700		
£65,001-£66,000	2	130,404		
£69,001-£70,000			1	69,258
£70,001-£71,000	1	70,535		
£76,001-£77,000			1	76,479
£119,001-£120,000			1	119,731
£120,001-£121,000	1	120,452		
£147,001-£148,000			1	147,185
	42	1,468,915	44	1,572,046

4 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 (2023/24: £0).
See also note 28 Related Party Transactions

Key management remuneration

The total remuneration paid to key management was £261k (2024: £251k).
Key management are considered to be the College Accountant, the Domestic Bursar and the Registrar and Director of Admissions.

21 PENSION SCHEMES

The College participates in two principal pension schemes for its staff – the Universities Superannuation Scheme (USS) and the University of Oxford Staff Pension Scheme (OSPS). The assets of each scheme are held in separate trustee-administered funds. USS and OSPS are contributory mixed benefit schemes (i.e. they provide benefits on a defined benefit basis – based on length of service and pensionable salary – and on a defined contribution basis – based on contributions into the scheme). Both are multi-employer schemes and the College is unable to identify its share of the underlying assets and liabilities relating to defined benefits of each scheme on a consistent and reasonable basis.

Therefore, in accordance with the accounting standard FRS 102 paragraph 28.11, the College accounts for the schemes as if they were defined contribution schemes. As a result, the amount charged to the Income and Expenditure Account represents the contributions payable to the schemes in respect of the accounting period. In the event of the withdrawal of any of the participating employers in USS or OSPS, the amount of any pension funding shortfall (which cannot be otherwise recovered) in respect of that employer will be spread across the remaining participating employers and reflected in the next actuarial valuation of the scheme.

USS

A deficit recovery plan was put in place as part of the 2020 valuation, which required payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate would increase to 6.3%. No deficit recovery plan was required under the 2023 valuation because the scheme was in surplus on a technical provisions basis. The College was no longer required to make deficit recovery contributions from 1 January 2024 and accordingly released the outstanding provision to the income and expenditure account. The latest available complete actuarial valuation of the Retirement Income Builder is as at 31 March 2023 (the valuation date), which was carried out using the projected unit method.

Since the College cannot identify its share of USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

At 31 July 2023, the College's balance sheet included a liability of £2,135k for future contributions, following the 2020 valuation when the scheme was in deficit. No deficit recovery plan was required from the 2023 valuation, because the scheme was in surplus. Changes to contribution rates were implemented from 1 January 2024 and from that date the College was no longer required to make deficit recovery contributions. The remaining liability of £2,135k was released to the income and expenditure account during 2023/24.

The 2023 valuation was the seventh valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions (the statutory funding objective). At the valuation date, the value of the assets of the scheme was £73.1 billion and the value of the scheme's technical provisions was £65.7 billion indicating a surplus of £7.4 billion and a funding ratio of 111%.

The key financial assumptions used in the 2023 valuation are described below.

CPI Assumption	3.0% p.a (based on a long term average expected level of CPI, broadly consistent with long term market expectations)
Pension increases (subject to a floor of 0%)	Benefits with no cap: CPI assumption plus 3bps. Benefits subject to a "soft cap" of 5% (providing inflationary increases up to 5%, and half of any excess inflation over 5% up to a maximum of 10%); CPI assumption minus 3bps
Discount rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.5% p.a. Post Retirement :0.9% p.a.

The main demographic assumptions used relate to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2023 actuarial valuation. The mortality assumptions used in these figures are as follows:

Mortality base table	101% of S2PMA "light" for males and 95% of S3PFA for females
Future improvements to mortality	CMI 2021 with a smoothing parameter of 7.5, an initial addition of 0.4% p.a. and a long-term improvement rate of 1.8% pa for males and 1.6% pa for females

The current life expectancies on retirement at age 65 are:

	2025	2024
Males currently aged 65 (years)	23.8	23.7
Females currently aged 65 (years)	25.5	25.6
Males currently aged 45 (years)	25.7	25.4
Females currently aged 45 (years)	27.2	27.2

University of Oxford Staff Pension Scheme

The University of Oxford Staff Pension Scheme (OSPS) is a multi-employer hybrid scheme set up under trust and sponsored by the University. It is the pension scheme for support staff at the University, participating colleges and other related employers. New members joining the scheme build up benefits on a defined contribution basis. Members who joined before 1st October 2017 build up benefits on a career average revalued earnings basis.

The latest full actuarial valuation for the OSPS scheme was completed as at 31 March 2022. The funding position of this scheme has improved significantly moving from deficit of £113m to a surplus of £47m at the valuation date. As a result, the recovery plan agreed at the last valuation is no longer required and the deficit contribution ended on 30th September 2023. A provision of £1,285k was made at 31 July 2023 to account for deficit recovery payments up to 30th September 2023. That remaining liability of £1,285k was released to the income and expenditure account in 2024.

The Trustee and the University have agreed a new contribution schedule which took effect from 1 October 2023 and takes account of the benefit improvements and changes to member contributions since the last valuation date. It was agreed that the scheme will meet its own running costs from the scheme's assets, including expenses relating to both the DB and DC Sections and the cost of pension Protection Fund /other statutory levies.

The table below summarises the key actuarial assumptions. Further details of the assumptions are set out in the statement of funding principles dated 27 June 2023 and can be found at <https://finance.admin.ox.ac.uk/osps-documents>

Date of Valuation	31/03/2022
Value of Liabilities	£914m
Value of Assets	£961m
Funding Surplus / (deficit)	£47m

The principal assumptions used by the actuary were:

Rate of interest (Periods up to retirement)	Gilts + 2.25%
Rate of interest (Periods after retirement)	Gilts + 0.5%
RPI	Break even RPI curve less 0.5% p.a. ore 2030 and 1% p.a. post 2030
CPI	RPI inflation assumption less 1% pa pre-2030 and 0.1% pa post-2030
Pensionable Salary increases	RPI + p.a.
Funding ratios:	
Technical provisions basis	105%
Buy out' basis	62%

Non financial assumptions:

Post-retirement mortality - base table	Non-Pensioners: 105% of standard S3PxA medium tables for both males and females Pensioners: 105% of standard S3PxA medium tables for both males and females
Post-retirement mortality - improvements	Non-Pensioners: 105% of standard S3PxA medium tables for both males and females Pensioners: 105% of standard S3PxA medium tables for both males and females
Recommended employer's contribution rate (as % of pensionable salaries):	16.5% DB for members from 01/10/2023 10% /12% /14% DC members in relation to 4% /6% /8% cost plan - from 01/10/2023
Effective date of next valuation:	31/03/2025

Pension charge for the year

The pension charge recorded by the College during the accounting period (excluding pension finance costs) was equal to the contributions payable after allowance for the deficit recovery plan as follows:

Scheme	2024/25	2023/24
Universities Superannuation Scheme	436	522
University of Oxford Staff Pension Scheme	285	286
Other schemes - contributions	0	0
Total	721	808

22 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.

**23 RECONCILIATION OF NET INCOMING RESOURCES TO
NET CASH FLOW FROM OPERATIONS**

	2025 Group £'000	2024 Group £'000
Net income	7,432	14,717
Elimination of non-operating cash flows:		
Investment income	(3,313)	(3,978)
(Gains)/ Losses in investments	(6,255)	(8,726)
Endowment donations	(53)	-
Depreciation	1,107	584
(Surplus)/loss on sale of fixed assets	-	-
(Increase) / Decrease in stock	(21)	(17)
(Increase) / Decrease in debtors	3,063	(2,037)
Increase / (Decrease) in creditors	278	(613)
(Decrease)/Increase in provisions	-	-
Increase / (Decrease) in pension scheme liability	-	(2,155)
Coupon on Private Placement paid	966	966
Net cash used in operating activities	3,204	(1,259)

24 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2025 £'000	2024 £'000
Cash at bank and in hand	3,410	3,742
Total cash and cash equivalents	3,410	3,742

25 FINANCIAL COMMITMENTS

The totals of future minimum lease payments under non-cancellable operating leases for each of the following periods were:	2025 £'000	2024 £'000
Land and buildings		
Not later than one year	96	227
Later than one year and not later than five years	1	136
Later than five years	1	1
	98	364
Other		
Not later than one year	24	24
Later than one year and not later than five years	5	29
	29	53

26 CAPITAL COMMITMENTS

The College had contracted commitments at 31 July 2025 for future capital projects totalling £14,790k (2024: £60k)

27 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.

	2025 £'000	2024 £'000
B Frellesvig	14	17
V Vyazovskiy	66	68
R Zubek	137	144
M Chatzis	170	-
A Nair	282	292
	669	521

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.

28 CONTINGENT LIABILITIES

There are no contingent liabilities to report as at 31st July 2025

29 POST BALANCE SHEET EVENTS

The statement of accounts was authorised for issue on 3rd December 2025. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31st July 2025 the figures in the financial statements and notes have been adjusted in all material respects to reflect this information. There are no material non adjusting events to report.

Accounts

Hertford College

Annual Report and Financial Statements

Year ended 31st July 2024

Hertford College
Annual Report and Financial Statements for the year ended 31st July 2024

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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 during year or subsequently are detailed below.

Governing Body Fellow	College Office (some overlaps)	(1)	(2)	(3)	(4)
Professor E Baldwin			•		
Professor C D Brewer (retired 30.9.23)					
Professor E Chatzis		•			
Mr J K Clark	Bursar		•	•	•
Professor Z F Cui					
Professor F Duarte	Tutor for Equality & Diversity				
Dr D Dwan	Harassment Advisor	•			•
Mr T Fletcher (Resigned 17.11.24)	Principal	•	•	•	•
Professor B M Frellesvig	Tutor for Graduates	•		•	•
Dr D Gaffney					
Dr A Galanis					
Dr K Greasley				•	
Professor D Greaves					
Professor D M Hopkin					•
Dr J Kiaer	Dean of Degrees				
Professor D Kielak	SCR Steward		•		
Professor A G Lauder	Senior Tutor	•			•
Professor P Ligoxygakis	Student Conduct Officer				
Dr J Lorimer					
Dr K Lunn-Rockliffe	Prevent Lead				
Professor I McBride					
Professor M Maiden					•
Dr L Malafouris					•
Professor A Mikes	Tutor for Equality & Diversity				
Professor P J R Millican		•			
Dr E Mortimer					
Dr A Nair	Harassment Advisor		•		
Dr S J New	Senior Fellow		•		
Dr O J Noble Wood	Dean and SCR Steward	•			•
Professor S Parameswaran	Fellow for Research	•			

Hertford College
Governing Body, Officers and Advisers
Year ended 31st July 2024

Governing Body Fellow	College Office (some overlaps)	(1)	(2)	(3)	(4)
Professor P F Roche (retired 30.9.23)	Investment Bursar		•	•	•
Dr F Romei					•
Dr L Slater				•	
Dr C Sloan	Porter Fellow, Secretary to GB	•			
Professor E Smith	Fellow Librarian, Pro Principal	•		•	
Dr L Speight		•			
Professor G Sternberg			•		
Professor D Thomas (until 01.09.24)					
Professor C Vallance	Senior Tutor	•		•	•
Dr M Vincenzi (appointed 15.7.24)					
Dr M Van der Wilk					
Dr C Veliz	Independent Prevent Monitor				
Dr Vyazovskiy	Dean of Degrees, Dean	•			•
Professor T Wilson (retired 30.9.23)	Senior Fellow				
Professor M Wooldridge				•	
Professor A C S Woollard		•			
Ms F Wheare (left 31.5.24)	Director of Development			•	
Professor R G Zubek					

During the year the activities of the Governing Body were carried out through various committees and Officers. Membership of the main committees is shown above for each Fellow.

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

COLLEGE SENIOR STAFF

The senior staff of the College to whom specific aspects of day to day management were delegated during the course of the year, and who are regarded as Key Management Personnel, was as follows.

College Accountant	<i>Mrs Judi Banks</i>
Domestic Bursar	<i>Mr James Hill</i>
Registrar and Director of Admissions	<i>Ms Megan Roper</i>

COLLEGE ADVISERS

Investment managers

Rathbones Investment Management Ltd
8 Finsbury Circus
London
EC2M 7AZ

Oxford University Endowment Management
27 Park End Street
Oxford OX1 1HU

Auditor

Crowe U.K. LLP
55 Ludgate Hill
London
EC4M 7JW

Bankers

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

Solicitors

Knights 1759
Midland House
West Way
Botley
Oxford OX2 0PH

Property Valuers

Allcott Associates
The Fosse
Fosse Way
Redford Semele
Warwickshire CV31 1XN

Taxation Advisers

Davies Mayer Tax Advisers LLP
8 Gainsborough House
Campden Business Park
Chipping Campden
Gloucestershire GL55 6JX

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 2024

REPORT OF THE GOVERNING BODY

The Members of the Governing Body present their Annual Report for the year ended 31st July 2024 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 4.

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 Oxford Living Wage, which is set at a level above the National Living Wage.

The remuneration of Fellows 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.

Organisational management

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

HERTFORD COLLEGE

Report of the Governing Body

Year ended 31 July 2024

- 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.
- Remuneration Committee: consists of four persons not in receipt of remuneration from the College of which three are not members of Governing Body, with the Principal and the Bursar in attendance. 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. The Bursar attends all meetings of the Governing Body's Committees, except Academic Committee.

Group structure and relationships

The College administers a number of special trusts, as detailed in Notes 17 and 18 to the financial statements.

The College has two wholly-owned non-charitable subsidiaries. Hertford College Programmes started trading on 1st August 2010, and its activities primarily comprise conferences and English Language programmes which use the College's facilities when not in use by the College. Annual profits are donated to the College under the Gift Aid Scheme. Hertford College Design and Build started trading on 13th March 2020, and its activities comprise designing, commissioning and constructing new estates facilities for the College. Annual profits are donated to the College under the Gift Aid Scheme.

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.

The aims of the College's subsidiaries are to help to fund, or otherwise support, 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.

HERTFORD COLLEGE

Report of the Governing Body

Year ended 31 July 2024

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. During the year, the College had approximately 418 undergraduates, 287 postgraduates, and 36 fellows who have contractual obligations to teach as well as 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. 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 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 (and the EU in some circumstances) 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 the UK, 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. In 2023/2024 a total of £676k was spent on student support.

- Hertford College undergraduate students benefit from **Bursaries** provided directly by the College and also from bursaries jointly funded with the University. A total of 123 students benefited at a total cost of £212k
- **Graduate funding** is also provided in the form of scholarships and grants. The College awarded a total of £394k in 2023/24 for this purpose.
- The College also offers **Student Support** in the form of grants to both undergraduate and graduate students who experience unexpected financial hardship, for academic related travel, or as rent subsidies. In 2023/24 the College distributed £70k to support students in this way.

HERTFORD COLLEGE

Report of the Governing Body

Year ended 31 July 2024

ACADEMIC REVIEW

Hertford welcomed three new tutorial fellows for the 2023-24 academic year: Dr Dylan Gaffney (Tutorial Fellow in Archaeology), Dr Mark Van der Wilk (Tutorial Fellow in Computer Science), and Dr Thomas Morstyn (Tutorial Fellow in Engineering). In July, Dr Maria Vicenzi (Tutorial Fellow in Physics) joined the College in preparation for commencing her teaching duties in the 2024-25 academic year.

During the 2023-24 academic year fourteen new stipendiary lecturers joined us, and we appointed a further five non-stipendiary lecturers. The Fellow for Research coordinated a series of events for Fellows and lecturers to present and discuss their research, fostering interdisciplinary academic discussions within the community. Graduate students were encouraged to participate in these events as well, offering them an opportunity to engage with academic staff from diverse fields of study. The Fellow for Research, with the support of Academic Committee, also designed a new scheme to offer college association for early career researchers, which is due to be piloted in the 2024-25 academic year. It is hoped that these efforts will help to further enrich the academic life of the College.

Following the UCAS Confirmation cycle in August 2023, we welcomed a smaller undergraduate fresher cohort of 107 (plus one returning student resuming first-year study in Hilary term) in October 2023. This was significantly smaller than recent cohorts, as A-level marking had returned to pre-Covid standards, bringing the number of applicants who failed to meet their conditions back into line with pre-Covid averages. A slightly smaller proportion of the cohort – 85% vs 2023's 92% - were UK students, of which 80% were from state schools, which is significantly higher than the University's average.

The College welcomed 115 new postgraduate students for 2023-24, of which 63 were taught master's students and 52 were research students. We supported 24 graduate students with full or partial funding for course fees and/or living stipends, and are continuing to review our graduate scholarship provision for the coming years in line with various funding opportunities and our strategic objectives.

Our outreach work continues to centre around our link regions of Camden, Essex, Southend-on-Sea, Thurrock, Medway, and Peterborough, with a particular focus on engaging schools who have never or rarely been engaged with Hertford or Oxford more generally. In addition to this, the outreach team also carried out some events for local school-age residents in the Barton neighbourhood in Oxford as well as events on behalf of the University, such as representing Oxford at selected UCAS regional fairs. Approximately half of the events run on behalf of Hertford were inbound visits, and the remaining events were split between outbound visits and online programmes. We have continued to offer a monthly Teachers' Bulletin to teachers in our link regions during term-time, and are developing a dedicated programme of events designed to support teachers from our link regions.

We are proud that we met our increased target of seven Opportunity Oxford offers in the 2023 undergraduate admissions round, ensuring our enhanced support for students coming from significantly disadvantaged backgrounds. Our Access Strategy, which was confirmed by Governing Body in Michaelmas 2023, sets out a plan for further enhancements to our access and outreach provision, as well as for supporting students who are on-course and who come from disadvantaged backgrounds, and as part of this we designed a mentoring scheme where our undergraduate students can sign up to be mentored by our graduate students. The scheme is due to be piloted in the 2024-25 academic year.

In September 2023, we welcomed our first full-time Student Welfare Lead, Jane Corrigan. The role was created following the departure of our previous Chaplain, the Revd. Mia Smith, who had previously acted as the College's welfare lead in addition to her duties as Chaplain. In view of the increasing demand on welfare provision, the new Student Welfare Lead is a senior role in college which provides first-line support and signposting to various welfare services for all Hertford students, coordinates welfare provision and initiatives in the College, and works closely with the Dean and Registrar on strategic matters relating to college welfare support.

HERTFORD COLLEGE

Report of the Governing Body

Year ended 31 July 2024

FINANCIAL REVIEW

The Financial Statements for 2023/24 follow the requirements of FRS102.

Income from trading (conference and events business) continued to return to pre-COVID levels, more than doubling year on year to £3.2m. This, together with a significant increase in fundraising (up £2.7m), drove an increase of around 35% in total revenues.

Property and financial investment gains made a positive contribution of £8.7m (loss of £243k previous year), as the College's portfolio benefitted from market recoveries.

The improved investment context also saw benefits for the Pension reserve, as the underlying scheme positions went in to surplus. As a result, the Pension Reserve at £2.15m has reduced to zero, returning the value to General funds.

The net result of the above has been a net balance sheet growth of £14.69m to £106.6m.

While these results are welcome, they mask an underlying trend that remains challenging. Increases in the operating costs associated with core academic activities continue to exceed the income from those sources, placing an increasing reliance on trading and fundraising efforts.

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 £10.04m, representing retained unrestricted income reserves, excluding an amount of £14.97m for the book value of fixed assets. 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 subsidiaries at the year-end amounted to £106.632m (2023: £91.9m). This includes endowment capital of £75.25m, designated funds of £0.85m and unspent restricted income funds totalling £6.38m.

The Fellows have assessed the College's ability to continue as a going concern. The Fellows have considered several factors when forming their conclusion as to whether the use of the going concern basis is appropriate when preparing these financial statements, including a review of updated forecasts, and a consideration of key risks. The College has a large endowment, and financial performance continues to be monitored regularly. The Fellows have scrutinised the key assumptions within the financial budget and forecast, and are satisfied that the current level of free reserves, available investment and cash balances are adequate to meet the College's obligations as they fall due. Having regards to the above, the Fellows are satisfied that there are no material uncertainties around the decision to adopt the going concern basis of accounting in preparing these financial statements.

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. The College identifies and regularly 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.

Principal risks are assessed by the Treasury Committee, and more detailed risks by other committees (e.g. Health and Safety Committee), College Officers and Heads of Department. 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

HERTFORD COLLEGE

Report of the Governing Body

Year ended 31 July 2024

risks. The principal risks and uncertainties faced by the College and its subsidiaries include:

- 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:

- Operating structured and formalised processes for the identification, assessment, and management of the response to risk.
- Establishing the appropriate committees to ensure oversight of all key activities, with responsibility 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;
- Ensuring the appropriate insurance policies are in place, and reviewed regularly.

Fundraising

In the 2023-24 financial year, philanthropic income increased beyond the modest 2022-23 post Covid recovery, with £3.9m raised in donations (including legacies). Encouragingly, our donor numbers rose to over 1000, comprising recurring and new supporters. Donations continue to support a range of different projects, with a strong focus this year on the library.

Our usual event programme of gaudies, subject reunions and networking events continued. We continued to see reasonable alumni levels of engagement on social media, and received good feedback on our two publications, the Donor Report and College Magazine.

Hertford College is committed to following best practice in relation to all fundraising activities. The Development Director sits on Governing Body and convenes the termly Development Committee, which provides oversight of all fundraising and alumni relations activity in college. Hertford is registered with the Fundraising Regulator and has protocols and procedures in place to ensure that fundraising is open, honest, and respectful, adhering to legal and industry-specific guidelines. Hertford does not engage any professional third parties to carry out fundraising activities on its behalf.

Hertford is currently recruiting a new Development Director, following the departure of the previous incumbent to a new external role. We have restructured the team to separate fundraising from alumni engagement and communications. We have also appointed a Fellow for Development, to support high

HERTFORD COLLEGE

Report of the Governing Body

Year ended 31 July 2024

level alumni and non-alumni fundraising.

Investment policy, objectives and performance

The College's Statement of Investment Principles sets out the following aims:

- 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 (financial and property) was £125m (2023 £120m), of which £82m represents endowed or restricted funds. The total investment income was c. 3.3% gross (average value).

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

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

To meet these objectives the College's investments of its permanent endowed funds are managed on a total return basis, maintaining diversification across a range of asset classes in order to produce an appropriate balance between risk and return. In line with this approach, the College statutes allow the College to invest permanent endowments to maximise the related total return and to make available for expenditure each year an appropriate proportion of the unapplied total return. The value date for establishing the initial values of the Investment Fund and the Unapplied Total Return was 31st July 2009.

The investment strategy, policy and performance is monitored by the Investment Committee. At the year end, the College's long term investments (endowment only), combining securities and property investments, totalled £75.2m. Direct income earned on these investments amounted to £2.6m, and net value gains were £7.01m.

Under the total return accounting basis, it is the Governing Body's policy to extract as income 4.25% of the value of the relevant investments. However, to smooth and moderate, the amounts withdrawn are calculated on the average of the year end values in each of the last five years. Due to fluctuating investment values over the previous five years, the effective amounts withdrawn may vary from the nominal rate. For the year ending July 31st 2024, an amount of £2.9m was withdrawn as income. The Governing Body will keep the level of income withdrawn under review to balance the needs and interests of current and future beneficiaries of the College's activities.

The Governing body is satisfied that the overall performance of investment activities for the year has met the objectives set.

HERTFORD COLLEGE

Report of the Governing Body

Year ended 31 July 2024

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 improved study space), and provision of new facilities (e.g. additional graduate accommodation).

The anticipated capital expenditure is up to £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;
- 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 the 27th of November 2024 and signed on its behalf by:



Mr J K Clark

Bursar



Professor P Roche

Principal

HERTFORD COLLEGE

Report of the Auditors

Year ended 31 July 2024

Independent Auditor's Report to the Trustees of Hertford College

Opinion

We have audited the financial statements of Hertford College for the year ended 31 July 2024 which comprise the Consolidated Statement of Financial Activities, Consolidated and College Balance Sheets, Consolidated Statement of Cash Flows and notes to the financial statements, including 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 the parent charity's affairs as at 31 July 2024 and of the group's income and receipts of endowments 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

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 this gives rise to a material misstatement in the financial statements themselves. 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 requires 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 and proper 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, 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 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 of the Charities Act 2011, and report in accordance with the Acts 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the parent charity and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were taxation legislation, the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the

HERTFORD COLLEGE

Report of the Auditors

Year ended 31 July 2024

financial statements but compliance with which might be fundamental to the parent charity's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the parent charity and the group for fraud. The other laws and regulations we considered in this context for the group were General Data Protection Regulations and Health and Safety regulations.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the recognition of income, and the override of controls by management. Our audit procedures to respond to risk of income recognition included selecting a sample of income during the year, agreeing back to the relevant documentation and ensuring it has been recognised correctly. Our audit procedures to respond to the risk of management override included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

Date: 28 November 2024

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.

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 subsidiaries Hertford Programmes Limited and Hertford College Design and Build Limited. The subsidiaries have been consolidated from the date of their formation, being the date from which the College has exercised control through voting rights in the subsidiaries. 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 with reference to the latest scheme valuation.

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.

HERTFORD COLLEGE

Statement of Accounting Policies

Year ended 31 July 2024

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.

Total Return accounting principles have been adopted in relation to investments held as part of the permanent endowment.

The carrying value of the trust for investment (the preserved permanent capital) has been taken as the market value of the relevant investments as at 31st July 2009, together with the original gift value of all subsequent endowments received and transfers from the unapplied total return approved by the Governing Body to increase the value of the trust for investment. The balance of the investment unapplied total returns is accumulated as a component of the relevant endowment funds with amounts from this being released to income each year at the discretion of the Governing Body.

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).

HERTFORD COLLEGE

Statement of Accounting Policies

Year ended 31 July 2024

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

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 -50 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.

HERTFORD COLLEGE

Statement of Accounting Policies

Year ended 31 July 2024

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

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 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 subsidiaries 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.

HERTFORD COLLEGE

Statement of Accounting Policies

Year ended 31 July 2024

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 the 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.

Where deficit recovery plans have been in place in past years, the College has recognised its share of the deficit plans placed on both schemes.

Hertford College
Consolidated Statement of Financial Activities
For the year ended 31 July 2024

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2024 Total £'000	2023 Total £'000
INCOME AND ENDOWMENTS FROM:						
Charitable activities:	1					
Teaching, research and residential		6,868	-	273	7,141	7,121
Other Trading Income	3	3,242	-	-	3,242	1,484
Donations and legacies	2	392	3,534	-	3,926	1,252
Investments						
Investment income	4	1,538	146	2,291	3,975	3,719
Total return allocated to income	17	2,557	363	(2,920)	-	-
Other income	5	3	-	-	3	1
Total income		14,600	4,043	(356)	18,287	13,577
EXPENDITURE ON:						
	6					
Charitable activities:						
Teaching, research and residential		7,389	1,697	-	9,086	11,276
Generating funds:						
Fundraising		470	-	-	470	566
Trading expenditure		1,499	-	-	1,499	812
Investment management costs		994	8	239	1,241	1,166
Total Expenditure		10,352	1,705	239	12,296	13,820
Net Income/(Expenditure) before gains / (losses)		4,248	2,338	(595)	5,992	(243)
Net gains/(losses) on investments		1,471	250	7,005	8,726	(823)
Net Income/(Expenditure)		5,719	2,588	6,410	14,717	(1,066)
Transfers between funds	17	112	(64)	(48)	0	-
Other recognised gains/losses						
Gains/(losses) on revaluation of fixed assets		-	-	-	-	-
Actuarial gains/(losses) on defined benefit pension schemes		-	-	-	-	-
Net movement in funds for the year		5,831	2,524	6,362	14,717	(1,066)
Fund balances brought forward	17	19,175	3,856	68,884	91,915	92,981
Prior year fund adjustment		-	-	-	-	-
Funds carried forward at 31 July		25,006	6,380	75,246	106,632	91,915

Hertford College
Consolidated Statement of Financial Activities
For the year ended 31 July 2023

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2023 Total £'000
INCOME AND ENDOWMENTS FROM:				
Charitable activities:				
Teaching, research and residential	6,901	-	220	7,121
Other Trading Income	1,484	-	-	1,484
Donations and legacies	435	817	-	1,252
Investments				-
Investment income	1,052	147	2,520	3,719
Total return allocated to income	2,475	352	(2,827)	-
Other income	1	-	-	1
Total income	12,348	1,316	(87)	13,577
EXPENDITURE ON:				
Charitable activities:				
Teaching, research and residential	10,301	975	-	11,276
Generating funds:				
Fundraising	566	-	-	566
Trading expenditure	812	-	-	812
Investment management costs	933	7	226	1,166
Total Expenditure	12,612	982	226	13,820
Net Income/(Expenditure) before gains	(264)	334	(313)	(243)
Net gains/(losses) on investments	(1,808)	47	938	(823)
Net Income/(Expenditure)	(2,072)	381	625	(1,066)
Transfers between funds	22	30	(52)	-
Net movement in funds for the year	(2,050)	411	573	(1,066)
Fund balances brought forward	21,228	3,442	68,311	92,981
Prior year fund adjustment	-	-	-	-
Funds carried forward at 31 July	19,178	3,853	68,884	91,915

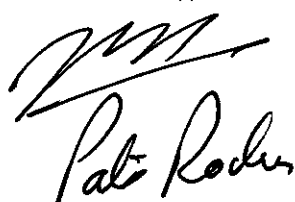
Hertford College
Consolidated and College Balance Sheets
As at 31 July 2024

	Notes	2024 Group £'000	2023 Group £'000	2024 College £'000	2023 College £'000
FIXED ASSETS					
Tangible assets	10	14,970	13,905	14,970	13,905
Property investments	11	13,173	10,063	13,173	10,063
Other Investments	12	112,219	109,664	112,219	109,664
Total Fixed Assets		140,362	133,632	140,362	133,632
CURRENT ASSETS					
Stocks		35	18	16	18
Debtors	14	5,384	3,346	5,377	2,466
Cash at bank and in hand		3,742	570	2,589	449
Total Current Assets		9,161	3,934	7,982	2,933
LIABILITIES					
Creditors: Amounts falling due within one year	15	(2,891)	(3,496)	(3,136)	(2,210)
NET CURRENT ASSETS		6,270	438	4,846	723
TOTAL ASSETS LESS CURRENT LIABILITIES		146,632	134,070	145,208	134,355
CREDITORS: falling due after more than one year	16	(40,000)	(40,000)	(40,000)	(40,000)
NET ASSETS BEFORE PENSION ASSET OR LIABILITY		106,632	94,070	105,208	94,355
Defined benefit pension scheme liability	21	-	(2,155)	-	(2,155)
TOTAL NET ASSETS		106,632	91,915	105,208	92,200
FUNDS OF THE COLLEGE					
Endowment funds		75,246	68,884	75,246	68,884
Restricted funds		6,380	3,850	6,380	3,850
Unrestricted funds					
Designated funds		15,819	14,759	14,395	15,044
General funds		9,187	6,577	9,187	6,577
Revaluation reserve					
Pension reserve	21	-	(2,155)	-	(2,155)
		106,632	91,915	105,208	92,200

The financial statements were approved and authorised for issue by the Governing Body of Hertford College on 27th November 2024

Trustee:

Trustee:



Hertford College
Consolidated Statement of Cash Flows
For the year ended 31 July 2024

	Notes	2024 £'000	2023 £'000
Net cash provided by (used in) operating activities	23	(1,260)	(1,696)
Cash flows from investing activities			
Dividends, interest and rents from investments		3,978	3,722
Proceeds from the sale of property, plant and equipment		-	-
Purchase of property, plant and equipment		(2,416)	(1,571)
Proceeds from sale of investments		11,679	6,220
Purchase of investments		(7,843)	(5,940)
Net cash provided by (used in) investing activities		5,398	2,431
Cash flows from financing activities			
Coupon on Private Placement Paid		(966)	(966)
Cash inflows from new borrowing		-	-
Receipt of endowment		-	-
Net cash provided by (used in) financing activities		(966)	(966)
Change in cash and cash equivalents in the reporting period		3,172	(231)
Cash and cash equivalents at the beginning of the reporting period		570	801
Change in cash and cash equivalents in the reporting period		3,172	(231)
Cash and cash equivalents at the end of the reporting period	24	3,742	570

Hertford College
Notes to the financial statements
For the year ended 31 July 2024

1 INCOME FROM CHARITABLE ACTIVITIES

	2024 £'000	2023 £'000
Teaching, Research and Residential		
Unrestricted funds		
Tuition fees - UK and EU students	1,903	1,844
Tuition fees - Overseas students	1,301	1,278
Other fees	823	712
Other HEFCE support	96	211
Other academic income	152	222
College residential income	2,593	2,634
	6,868	6,901
Restricted funds		
College residential income	-	-
Endowed funds		
College residential income	273	220
	273	220
Total Teaching, Research and Residential	7,141	7,121
	-	-

The above analysis includes £3300k received from Oxford University from publicly accountable funds under the CFF Scheme, net of College fees received directly (2023: £3,333k).

To support the strategic priority to fund more graduate scholars and to enable outstanding students to take up their places regardless of their financial position, for graduate students with overseas fee status funded through the Clarendon or UKRI scholarship funding schemes, the college share of the fees waived amount to £53k (2023 £26k). These are not included in the fee income reported above.

2 DONATIONS AND LEGACIES

	2024 £'000	2023 £'000
Donations and Legacies		
Unrestricted funds	392	435
Restricted funds	3,534	817
Endowed funds	-	-
	3,926	1,252

3 INCOME FROM OTHER TRADING ACTIVITIES

	2024 £'000	2023 £'000
Subsidiary company trading income	3,207	1,484
Other trading income	35	-
	3,242	1,484

Note 13

4 INVESTMENT INCOME

	2024 £'000	2023 £'000
Unrestricted funds		
Commercial rent	49	34
Equity dividends	1,193	857
Income from fixed interest stocks	217	115
Interest on fixed term deposits and cash	-	-
Bank interest	78	46
	1,538	1,052
Restricted funds		
Equity dividends	118	119
Income from fixed interest stocks	28	28
	146	147
Endowed funds		
Equity dividends	1,857	2,037
Income from fixed interest stocks	434	483
	2,291	2,520
Total Investment income	3,975	3,719

5 OTHER INCOME

Other income represents income from royalties

Hertford College
Notes to the financial statements
For the year ended 31 July 2024

6 ANALYSIS OF EXPENDITURE

	2024 £'000	2023 £'000
Charitable expenditure		
Direct staff costs allocated to:		
Teaching, research and residential	5,326	5,499
Other direct costs allocated to:		
Teaching, research and residential	4,133	4,107
Support and governance costs allocated to:		
Teaching, research and residential	(371)	1,670
Total charitable expenditure	9,088	11,276
Expenditure on raising funds		
Direct staff costs allocated to:		
Fundraising	332	359
Trading expenditure	737	150
Other direct costs allocated to:		
Fundraising	115	184
Trading expenditure	105	110
Support and governance costs allocated to:		
Fundraising	23	23
Trading expenditure	657	552
Investment management costs	1,241	1,166
Total expenditure on raising funds	3,209	2,544
Total expenditure	12,297	13,820

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 College Contribution payable of £34k (2023 - £39k).

7 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

	Generating Funds £'000	Teaching and Research £'000	2024 Total £'000
General administration	1,765	672	2,437
Human resources	16	90	106
IT	25	277	302
Depreciation	88	496	584
Loss/(profit) on fixed assets	-	-	-
Other finance charges	2	(2,159)	(2,157)
Governance costs	27	253	280
	1,923	(371)	1,552

	Generating Funds £'000	Teaching and Research £'000	2023 Total £'000
General administration	1,331	581	1,912
Human resources	-	125	125
IT	28	312	340
Depreciation	190	1,076	1,266
Loss/(profit) on fixed assets	-	-	-
Other finance charges	-	(776)	(776)
Governance costs	51	263	314
	1,600	1,581	3,181

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.

	2024 £'000	2023 £'000
Governance costs comprise:		
Auditor's remuneration - audit services	27	51
Auditor's remuneration - tax advisory services	5	15
Legal and other fees on constitutional matters	248	248
	280	314

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.

8 GRANTS AND AWARDS

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

	2024 £'000	2023 £'000
Unrestricted funds		
Grants to individuals:		
Scholarships, prizes and grants	68	148
Bursaries and hardship awards	90	241
Grants to other institutions	-	-
Total unrestricted	158	389
Restricted funds		
Grants to individuals:		
Scholarships, prizes and grants	343	326
Bursaries and hardship awards	127	68
Total restricted	470	394
Total grants and awards	628	783

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

9 STAFF COSTS

The aggregate staff costs for the year were as follows.

	2024 £'000	2023 £'000
Salaries and wages	6,173	5,515
Social security costs	500	447
Pension costs:		
Defined benefit schemes	(1,348)	224
	5,325	6,186

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

	2024	2023
Tuition and research	31	31
College residential	88	87
Fundraising	4	5
Support	29	31
Total	152	154

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

	2024	2023
University Lecturers	18	18
CUF Lecturers	8	8
Other teaching and research	12	12
Other	3	3
Total	41	41

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 £13k in 2023/24 (£4k in 2022/23). All redundancy costs are accounted for in the year in which the decision was made to terminate employment.

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:

	2024	2023
£60,001-£70,000	2	4
£70,001-£80,001	3	-
£80,001-£90,001	-	-
£90,001-£100,001	-	-
£100,001-£110,001	-	-

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

In defined benefits schemes	5	4
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The College contributions to defined contribution pension schemes totalled (This comprises £807k contributions paid and a credit for decreased pension provision liability of £2155k)

(1,348)	224
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Hertford College
Notes to the financial statements
For the year ended 31 July 2024

10 TANGIBLE FIXED ASSETS

Group	Assets under construction £'000	Freehold land and buildings £'000	Plant and machinery £'000	Total £'000
Cost				
At start of year	2,921	25,751	516	29,188
Additions	1,097	466	85	1,648
Transfers to investment properties	-	-	-	-
Disposals	-	-	(516)	(516)
At end of year	4,018	26,217	85	30,320
Depreciation and impairment				
At start of year	475	14,291	517	15,283
Depreciation charge for the year	(475)	1,051	7	583
Transfers to investment properties	-	-	-	-
Depreciation on disposals	-	-	(516)	(516)
At end of year	-	15,342	8	15,350
Net book value				
At end of year	4,018	10,875	77	14,970
At start of year	2,446	11,460	(1)	13,905
College				
Cost				
At start of year	2,921	25,751	516	29,188
Additions	1,097	466	85	1,648
Transfers to investment properties	-	-	-	-
Disposals	-	-	(516)	(516)
At end of year	4,018	26,217	85	30,320
Depreciation and impairment				
At start of year	475	14,291	517	15,283
Charge for the year	(475)	1,051	7	583
Transfers to investment properties	-	-	-	-
On disposals	-	-	(516)	(516)
Impairment	-	-	-	-
At end of year	-	15,342	8	15,350
Net book value				
At end of year	4,018	10,875	77	14,970
At start of year	2,446	11,460	(1)	13,905

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.

11 PROPERTY INVESTMENTS

Group	Other £'000	2024 Total £'000	2023 Total £'000
Valuation at start of year	10,063	10,063	9,389
Transfers	-	-	-
Revaluation gains/(losses) in the year	2,342	2,342	674
Additions and improvements at cost	768	768	-
Valuation at end of year	13,173	13,173	10,063
College			
Valuation at start of year	10,063	10,063	9,389
Transfers	-	-	-
Revaluation gains/(losses) in the year	2,342	2,342	674
Additions and improvements at cost	768	768	-
Valuation at end of year	13,173	13,173	10,063

12 SECURITIES AND OTHER INVESTMENTS

All investments are held at fair value.

	2024 £'000	2023 £'000
Group investments		
Valuation at start of year	109,665	111,438
New money invested	47	-
Amounts withdrawn	(11,679)	(6,220)
Reinvested income	7,947	6,094
Investment management fees	(152)	(151)
Increase / (Decrease) in value of investments	6,391	(1,497)
Group investments at end of year	112,219	109,664
Investment in subsidiaries	-	-
College investments at end of year	112,219	109,664

Group investments comprise:	Held in the UK £'000	2024 Total £'000	Held in the UK £'000	2023 Total £'000
Equity investments	22,281	22,281	22,083	22,083
Global multi-asset funds	28,504	28,504	26,148	26,148
Property funds	571	571	546	546
Fixed interest stocks	7,315	7,315	8,527	8,527
Alternative and other investments (OUEM)	43,238	43,238	41,727	41,727
Fixed term deposits and cash	10,310	10,310	10,633	10,633
Total group investments	112,219	112,219	109,664	109,664

13 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.

Hertford College Design and Build Limited (Company Registration Number 12517047), a company limited by guarantee, is a wholly owned subsidiary of the College. It commenced trading on 13th March 2020 and its activities comprise designing, commissioning and constructing new estates facilities for the College.

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

	2024 Hertford College Design and Build £'000	2024 Hertford College Programmes Ltd £'000	2023 Hertford College Design and Build £'000	2023 Hertford College Programmes £'000
Income	91	3,207	548	1,484
Expenditure	(92)	(1,499)	(544)	(812)
Donation to College under gift aid	(4)	-	(4)	-
Result for the year	(5)	1,708	-	672
Total assets	38	2,685	27	996
Total liabilities	(39)	(1,383)	(27)	(996)
Net funds at the end of year	(1)	1,302	-	-

There was no Gift Aided management charge paid by Hertford College Programmes to the College during 2023-24 (2023: £0k). It is customary for any surplus from the operation of Hertford College Programmes to be donated to Hertford College. The surplus of £1591k at the end of 23/24 will be applied to the brought forward losses (generated by covid) resulting in a gift aid payment due of £1303k. At the year end, a balance of £1651k was owed by Hertford College to Hertford College programmes (2023: £467k was owed by Hertford College Programmes to Hertford College).

During 2023-24, Hertford College Design and Build donated £4k (2023: £4k) to Hertford College. At the year end, a balance of £8k was owed to Hertford College by Hertford College Design & Build

Hertford College
Notes to the financial statements
For the year ended 31 July 2024

14 DEBTORS

	2024 Group £'000	2023 Group £'000	2024 College £'000	2023 College £'000
Amounts falling due within one year:				
Trade debtors	311	575	304	176
Amounts owed by College members	138	507	138	507
Amounts owed by Group undertakings	-	-	-	(481)
Loans repayable within one year	25	18	25	18
Prepayments and accrued income	4,910	2,246	4,910	2,246
	<u>5,384</u>	<u>3,346</u>	<u>5,377</u>	<u>2,466</u>

15 CREDITORS: falling due within one year

	2024 Group £'000	2023 Group £'000	2024 College £'000	2023 College £'000
Trade creditors	466	(125)	445	(137)
Amounts owed to College Members	(3)	331	(3)	331
Amounts owed to Group undertakings	-	-	1,659	-
Taxation and social security	140	121	147	134
Accruals and deferred income	2,088	2,924	688	1,637
Other creditors	200	245	200	245
	<u>2,891</u>	<u>3,496</u>	<u>3,136</u>	<u>2,210</u>

The opening position for accruals and deferred income has changed from previously published figures due to a correction in prior period values. This is as a result of an overaccrual of private placement coupon charges in 2021.

16 CREDITORS: falling due after more than one year

	2024 Group £'000	2023 Group £'000	2024 College £'000	2023 College £'000
Other creditors	40,000	40,000	40,000	40,000
	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>

Creditors fall due after more than one year comprise two bonds. The first was entered into in 2017/18, which has a fixed term of 30 years of which 23 remain, with a fixed coupon of 2.52%. These 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. The second bond was entered into during 2020/21 with a fixed term of 30 years and a fixed coupon of 2.31%. These funds will be used to support the significant capital investment in new facilities for the college. In a similar manner to the first bond, a portion of the proceeds has also been designated for long term investment to cover the repayment of the capital.

Hertford College
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17 ANALYSIS OF MOVEMENTS ON FUNDS

	At 1 August 2023 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Total Return £'000	Gains/ (losses) £'000	At 31 July 2024 £'000
Endowment Funds - Permanent							
College Endowment Fund	59,260	2,203	(209)	-	(2,558)	6,064	64,760
Drapers Fellowship Fund (Previously "Drapers Fund")	626	23	(2)	-	(29)	64	682
Mortimer May	1,023	38	(4)	-	(44)	105	1,118
E. M. Vaughan-Williams Trust	634	23	(2)	-	(27)	65	693
Michael Baring Travel Fund	95	4	-	-	(4)	10	105
Roger Van Noorden Economics Fund	633	24	(2)	-	(27)	65	693
Ellis-Barnard History Fellowship	1,601	60	(6)	-	(69)	164	1,750
Other Scholarship Funds	124	5	-	-	(6)	12	135
Student Support	764	28	(3)	-	(34)	79	834
Fellowship Fund	2,158	80	(8)	-	(93)	221	2,358
Drapers Scholarship Fund	671	25	(2)	-	(29)	69	734
Endowment Funds - Expendable							
Carreras Fellowship	641	25	(1)	(24)	-	44	685
Starun Fund	246	10	(1)	(9)	-	17	263
Armstrong-Macintyre-Markham	353	1	-	(1)	-	2	355
Law Student Support (Previously "BCL") Fund	53	15	(1)	(14)	-	26	79
Total Endowment Funds - College	68,884	2,564	(241)	(48)	(2,920)	7,007	75,246
Restricted Funds							
Undergraduate Bursaries	80	65	-	-	-	5	150
Carreras Fellowship	81	3	-	24	-	5	113
Drapers Fellowship	121	5	-	-	29	8	163
Drapers Scholarship	177	34	(20)	(83)	29	6	143
Mortimer May	109	4	(17)	-	44	7	147
E. M. Vaughan-Williams Trust	217	10	(29)	-	27	15	240
Janeway Restricted Fund	65	3	(19)	-	-	4	53
Unspent income of other Funds above	488	63	(211)	24	107	34	505
Other Funds	1,402	3,450	(1,407)	(28)	34	92	3,543
Matched Library	931	36	(2)	-	-	63	1,028
General Fellowships	184	7	-	-	93	12	296
Total Restricted Funds - College	3,855	3,680	(1,705)	(64)	363	251	6,380
Unrestricted Funds							
General	6,577	12,043	(10,350)	(3,108)	2,557	1,468	9,187
Fixed asset designated	13,905	-	-	1,065	-	-	14,970
Designated Library fund	849	-	-	-	-	-	849
Pension Reserve	(2,155)	-	-	2,155	-	-	-
Total Unrestricted Funds - College	19,176	12,043	(10,350)	112	2,557	1,468	25,006
Unrestricted funds held by subsidiaries	-	-	-	-	-	-	-
Total Unrestricted Funds - Group	19,176	12,043	(10,350)	112	2,557	1,468	25,006
Total Funds	91,915	18,287	(12,296)	0	-	8,726	106,632

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	At 1 August 2022 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Total Return £'000	Gains/ (losses) £'000	At 31 July 2023 £'000
Endowment Funds - Permanent							
College Endowment Fund	58,760	2,354	(198)	-	(2,472)	807	59,251
Drapers Fellowship Fund (Previously "Drapers Fund")	624	25	(2)	-	(28)	9	628
Mortimer May	1,015	41	(3)	-	(43)	14	1,024
E. M. Vaughan-Williams Trust	631	25	(2)	-	(26)	9	637
Michael Baring Travel Fund	95	4	-	-	(4)	1	96
Roger Van Noorden Economics Fund	631	25	(2)	-	(26)	9	637
Ellis-Barnard History Fellowship	1,589	64	(5)	-	(67)	22	1,603
Other Scholarship Funds	123	5	-	-	(6)	2	124
Student Support	760	30	(3)	-	(33)	10	764
Fellowship Fund	2,140	86	(7)	-	(90)	29	2,158
Drapers Scholarship Fund	665	27	(2)	-	(28)	9	671
Endowment Funds - Expendable							
Carreras Fellowship	632	27	(1)	(26)	-	9	641
Starun Fund	243	10	-	(10)	-	3	246
Armstrong-Macintyre-Markham	353	1	-	(1)	-	-	353
Law Student Support (Previously "BCL") Fund	48	16	(1)	(15)	-	5	53
Total Endowment Funds - College	68,309	2,740	(226)	(52)	(2,823)	938	68,886
Restricted Funds							
Undergraduate Bursaries	63	16	-	-	-	1	80
Unspent income funds	-	-	-	-	-	-	-
Carreras Fellowship	51	-	-	26	-	1	78
Drapers Fellowship	89	4	-	-	28	1	122
Drapers Scholarship	111	35	-	-	28	2	176
Mortimer May	144	6	(82)	-	43	2	113
E. M. Vaughan-Williams Trust	198	10	(22)	-	26	3	215
Janeway Restricted Fund	60	3	(1)	-	-	1	63
Unspent income of other Funds above	274	124	(47)	26	103	4	484
Other Funds	1,479	723	(827)	(22)	33	20	1,406
Matched Library	881	38	(2)	-	-	12	929
General Fellowships	89	4	-	-	90	1	184
Total Restricted Funds - College	3,439	963	(981)	30	351	48	3,850
Unrestricted Funds							
General	9,341	9,877	(12,338)	(966)	2,471	(1,808)	6,577
Fixed asset designated	13,599	-	-	306	-	-	13,905
Designated Library Fund	1,124	-	(275)	-	-	-	849
Pension Reserve	(2,837)	-	-	682	-	-	(2,155)
Total Unrestricted Funds - College	21,227	9,877	(12,613)	22	2,471	(1,808)	19,176
Unrestricted funds held by subsidiaries	-	-	-	-	-	-	-
Total Unrestricted Funds - Group	21,227	9,877	(12,613)	22	2,471	(1,808)	19,176
Total Funds	92,975	13,580	(13,820)	-	(1)	(822)	91,912

The opening position for unrestricted funds has changed from previously published figures due to a correction in prior period values. This is as a result of an overaccrual of private placement coupon charges in 2021.

Transfers between funds :-

Carreras Endowment/Carreras General

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.

Endowment Funds (continued)

	Unapplied total return £000	Permanent capital £000	Total endowment £000
Balance at 1 August 2023	9,730	57,853	67,583
Income and gains			
Investment income	2,513	-	2,513
Investment gains / (losses)	6,923	-	6,923
Total income and gains	9,436	0	9,436
Application of total return	(2,919)	-	(2,919)
Fees and transfers			
Investment management fees	(237)	-	(237)
RPI adjustment	0	0	-
Total fees and transfers	(237)	0	(237)
Net movement in year	6,280	0	6,280
Balance at 31st July 2024	16,010	57,853	73,863

The Trustees have adopted a duly authorised policy of total return accounting for the College investment returns with effect from 1 August 2019. The investment return to be applied as [income is calculated as 4.25% of the average of the year-end values of the relevant investments in each of the last 5 years (or the period since the original donation, if that is less than five years). The preserved (frozen) value of the invested endowment capital represents its open market value at 31st July 2009 together with all subsequent endowments valued at date of gift.

Endowment funds (continued)

	Trust for Investment 2023 £000	Unapplied total return 2023 £000	RPI inflation 2024 £000	Income and gains £000	Application of total return 2024 £000	Total endowment 2024 £000	Unapplied total return 2024 £000
Funds							
Mortimer May	867	155	0	139	(44)	1,117	250
Drapers Fellowship Fund	543	83	0	85	(29)	682	139
E. M. Vaughan-Williams Trust	538	96	0	86	(27)	693	155
Michael Baring Travel Fund	81	14	0	13	(4)	104	23
Roger Van Noorden Economics Fund	612	22	0	86	(27)	693	81
Ellis-Barnard History Fellowship	1,534	67	0	218	(69)	1,750	216
Fellowship Fund	1,836	321	0	294	(93)	2,358	522
Matched Student Support	753	13	0	104	(34)	836	83
Drapers Scholarship Fund	660	10	0	91	(29)	732	72
College Endowment Fund	50,307	8,949	0	8,066	(2,557)	64,765	14,458
Scholarship Augmentation Fund	122	0	0	17	(6)	133	11
Funds total	57,853	9,730	0	9,199	(2,919)	73,863	16,010

18 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.
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.
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 Augmentation 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.
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 in Japanese and academic visits to/from Japan.
Armstrong-Macintyre-Markham	Gifts in the 1990s in memory of Angus Macintyre, Felix Markham and John Armstrong
History Fellowship	to support teaching and research by a History Fellow
Law student support (previously known as 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
Janeway Restricted Fund	This Fund was established by donation to support the teaching of Philosophy and Computing.
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	This comprises 47 different funds, covering a variety of college priorities such as scholarships, student societies, subject initiatives and capital projects.
Matched Library	An expendable endowment for the redevelopment or renovation of the library.
General Fellowships	Combined Historic Funds. Philosophy and Computing.

Designated Funds

General Unrestricted Funds	Represent accumulated income from the College's activities and other sources that are available for the general purposes of the College.
Designated library fund	This represents unrestricted monies given to the college, which have been designated by the college (rather than the donor) to be spent on the library project
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
Pension Reserve	This Fund sets aside funds for the Deferred Benefit Pension Scheme Liability as required by FRS 102.

The Trustees have adopted a duly authorised policy of total return accounting for the College investment returns with effect from 1 August 2019. The investment return to be applied as income is calculated as 4.25% of the average of the year-end values of the relevant investments in each of the last 5 years (or whole years since the date of donation, where donations have been received within 5 years of the end of the year in question). The preserved (frozen) value of the invested endowment capital represents its open market value in 2009 together with all subsequent endowments valued at date of gift, inflated annually in line with RPI.

19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2024 Total £'000
Tangible fixed assets	14,970	-	-	14,970
Property investments	-	-	13,175	13,175
Other investments	43,769	6,379	62,071	112,219
Net current assets	6,270	-	-	6,270
Long term liabilities	(40,000)	-	-	(40,000)
Pension Scheme Liability	-	-	-	-
	<u>25,006</u>	<u>6,379</u>	<u>75,246</u>	<u>106,634</u>
	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2023 Total £'000
Tangible fixed assets	13,905	-	-	13,905
Property investments	-	-	10,064	10,064
Other investments	46,990	3,850	58,824	109,664
Net current assets	438	-	-	438
Long term liabilities	(40,000)	-	-	(40,000)
Pension Scheme Liability	(2,155)	-	-	(2,155)
	<u>19,178</u>	<u>3,850</u>	<u>68,888</u>	<u>91,916</u>

20 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 include the Head of House, Bursar and Development Director who work full time on management and fundraising.

Some trustees are eligible for college housing schemes. 35 trustees receive a housing allowance which which is disclosed within the salary figures below. 3 trustees live in a house owned jointly with the college.

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 £1,572,046 (2022-23 £1,506,566).

The total of pension contributions is £219,869 (2022-23 £240,337).

Remuneration paid to trustees

Range	2024		2023	
	Number of trustees	Gross remuneration, taxable benefits and pension contributions £	Number of trustees	Gross remuneration, taxable benefits and pension contributions £
£1,001-£2,000				
£2,001-£3,000				
£3,001-£4,000	1	3,557	1	3,388
£4,001-£5,000	2	8,939		
£5,001-£6,000	1	5,496		
£7,001-£8,000	1	7,951	1	4,224
£9,001-£10,000	1	9,417		
£12,001-£13,000			1	12,457
£13,001-£14,000	1	13,436	1	13,380
£14,001-£15,000	1	14,437		
£16,001-£17,000	1	16,129		
£19,001-£20,000			1	19,508
£20,001-£21,000			1	20,979
£22,001-£23,000			2	44,682
£24,001-£25,000	2	48,687	5	122,861
£25,001-£26,000	1	25,745		
£26,001-£27,000	15	402,737	14	380,740
£27,001-£28,000			1	27,028
£28,001-£29,000	1	28,586		
£29,001-£30,000	1	29,867		
£31,001-£32,000	1	31,448	1	31,221
£32,001-£33,000	1	32,488		
£33,001-£34,000			1	33,592
£34,001-£35,000	1	34,810		
£36,001-£37,000			1	36,132
£38,001-£39,000			1	38,944
£40,001-£41,000	1	40,238		
£47,001-£48,000	2	95,748	1	47,093
£53,001-£54,000			1	53,932
£54,001-£55,000				
£55,001-£56,000	1	55,157		
£60,001-£61,000			1	60,757
£62,001-£63,000			3	187,329
£63,001-£64,000	4	254,520		
£67,001-£68,000			1	67,662
£69,001-£70,000	1	69,258		
£76,001-£77,000	1	76,479		
£90,001-£91,000			1	90,453
£107,001-£108,000			1	107,933
£119,001-£120,000	1	119,731		
£122,001-£123,000			1	122,271
£147,001-£148,000	1	147,185		
	44	1,572,046	42	1,506,566

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 (2022/23: £0).

See also note 28 Related Party Transactions

Key management remuneration

The total remuneration paid to key management was £251k (2023: £236k).

Key management are considered to be the College Accountant, the Domestic Bursar and the Registrar and Director of Admissions.

21 PENSION SCHEMES

The College participates in two principal pension schemes for its staff – the Universities Superannuation Scheme (USS) and the University of Oxford Staff Pension Scheme (OSPS). The assets of each scheme are held in separate trustee-administered funds. USS and OSPS are contributory mixed benefit schemes (i.e. they provide benefits on a defined benefit basis – based on length of service and pensionable salary – and on a defined contribution basis – based on contributions into the scheme). Both are multi-employer schemes and the College is unable to identify its share of the underlying assets and liabilities relating to defined benefits of each scheme on a consistent and reasonable basis.

Therefore, in accordance with the accounting standard FRS 102 paragraph 28.11, the College accounts for the schemes as if they were defined contribution schemes. As a result, the amount charged to the Income and Expenditure Account represents the contributions payable to the schemes in respect of the accounting period. In the event of the withdrawal of any of the participating employers in USS or OSPS, the amount of any pension funding shortfall (which cannot be otherwise recovered) in respect of that employer will be spread across the remaining participating employers and reflected in the next actuarial valuation of the scheme.

USS

A deficit recovery plan was put in place as part of the 2020 valuation, which required payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate would increase to 6.3%. No deficit recovery plan was required under the 2023 valuation because the scheme was in surplus on a technical provisions basis. The College was no longer required to make deficit recovery contributions from 1 January 2024 and accordingly released the outstanding provision to the income and expenditure account. The latest available complete actuarial valuation of the Retirement Income Builder is as at 31 March 2023 (the valuation date), which was carried out using the projected unit method.

Since the College cannot identify its share of USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

At 31 July 2023, the College's balance sheet included a liability of £2,135k for future contributions, following the 2020 valuation when the scheme was in deficit. No deficit recovery plan was required from the 2023 valuation, because the scheme was in surplus. Changes to contribution rates were implemented from 1 January 2024 and from that date the College was no longer required to make deficit recovery contributions. The remaining liability of £2,135k was released to the income and expenditure account.

The 2023 valuation was the seventh valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions (the statutory funding objective). At the valuation date, the value of the assets of the scheme was £73.1 billion and the value of the scheme's technical provisions was £65.7 billion indicating a surplus of £7.4 billion and a funding ratio of 111%.

The key financial assumptions used in the 2023 valuation are described below.

CPI Assumption	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves less: 1.0% p.a. to 2030, reducing linearly by 0.1% p.a. from 2030.
Pension increases (subject to a floor of 0%)	Benefits with no cap: CPI assumption plus 3bps Benefits subject to a "soft cap" of 5% (providing inflationary increases up to 5%, and half of any excess inflation over 5% up to a maximum of 10%): CPI assumption minus 3bps
Discount rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.5% p.a. Post Retirement :0.9% p.a.

The main demographic assumptions used relate to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2023 actuarial valuation. The mortality assumptions used in these figures are as follows:

Mortality base table	101% of S2PMA "light" for males and 95% of S3PFA for females
Future improvements to mortality	CMI 2021 with a smoothing parameter of 7.5, an initial addition of 0.4% p.a. and a long-term improvement rate of 1.8% pa for males and 1.6% pa for females

The current life expectancies on retirement at age 65 are:

	2024	2023
Males currently aged 65 (years)	23.7	24.0
Females currently aged 65 (years)	25.6	25.6
Males currently aged 45 (years)	25.4	26.0
Females currently aged 45 (years)	27.2	27.4

University of Oxford Staff Pension Scheme

The University of Oxford Staff Pension Scheme (OSPS) is a multi-employer hybrid scheme set up under trust and sponsored by the University. It is the pension scheme for support staff at the University, participating colleges and other related employers. New members joining the scheme build up benefits on a defined contribution basis. Members who joined before 1st October 2017 build up benefits on a career average revalued earnings basis.

The latest full actuarial valuation for the OSPS scheme was completed as at 31 March 2022. The funding position of this scheme has improved significantly moving from deficit of £113m to a surplus of £47m at the valuation date. As a result, the recovery plan agreed at the last valuation is no longer required and the deficit contribution ended on 30th September 2023. A provision of £1,285k was made at 31 July 2023 to account for deficit recovery payments up to 30th September 2023. That remaining liability of £1,285k was released to the income and expenditure account in 2024.

The Trustee and the University have agreed a new contribution schedule which took effect from 1 October 2023 and takes account of the benefit improvements and changes to member contributions since the last valuation date. It was agreed that the scheme will meet its own running costs from the scheme's assets, including expenses relating to both the DB and DC Sections and the cost of pension Protection Fund /other statutory levies.

The table below summarises the key actuarial assumptions. Further details of the assumptions are set out in the statement of funding principles dated 27 June 2023 and can be found at <https://finance.admin.ox.ac.uk/osps-documents>

Date of Valuation	31/03/2022
Value of Liabilities	£914m
Value of Assets	£961m
Funding Surplus / (deficit)	£47m

The principal assumptions used by the actuary were:

Rate of interest (Periods up to retirement)	Gilts + 2.25%
Rate of interest (Periods after retirement)	Gilts + 0.5%
RPI	Break even RPI curve less 0.5% p.a. ore 2030 and 1% p.a. post 2030
CPI	RPI inflation assumption less 1% pa pre-2030 and 0.1% pa post-2030
Pensionable Salary increases	RPI + p.a.
Funding ratios:	
Technical provisions basis	105%
Buy out' basis	62%

Non financial assumptions:

Post-retirement mortality - base table	Non-Pensioners: 105% of standard S3PxA medium tables for both males and females Pensioners: 105% of standard S3PxA medium tables for both males and females
Post-retirement mortality - improvements	Non-Pensioners: 105% of standard S3PxA medium tables for both males and females Pensioners: 105% of standard S3PxA medium tables for both males and females
Recommended employer's contribution rate (as % of pensionable salaries):	16.5% DB for members from 01/10/2023 10% /12% /14% DC members in relation to 4% /6% /8% cost plan - from 01/10/2023
Effective date of next valuation:	31/03/2025

Pension charge for the year

The pension charge recorded by the College during the accounting period (excluding pension finance costs) was equal to the contributions payable after allowance for the deficit recovery plan as follows:

Scheme	2023/24	2022/23
Universities Superannuation Scheme	522	571
University of Oxford Staff Pension Scheme	286	334
Other schemes – contributions	0	0
Total	808	905

22 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.

Hertford College
Notes to the financial statements
For the year ended 31 July 2024

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

	2024	2023
	Group	Group
	£'000	£'000
Net income	14,717	(1,066)
<i>prior period adjustment</i>		
Elimination of non-operating cash flows:		
Investment income	(3,978)	(3,722)
(Gains)/ Losses in investments	(8,726)	823
Endowment donations	-	-
Depreciation	584	1,266
(Surplus)/loss on sale of fixed assets	-	-
(Increase) / Decrease in stock	(17)	2
(Increase) / Decrease in debtors	(2,037)	(1,253)
Increase / (Decrease) in creditors	(613)	1,970
(Decrease)/Increase in provisions	-	-
Increase / (Decrease) in pension scheme liability	(2,165)	(682)
Coupon on Private Placement paid	966	966
Net cash used in operating activities	(1,260)	(1,696)

24 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2024	2023
	£'000	£'000
Cash at bank and in hand	3,742	570
Total cash and cash equivalents	3,742	570

25 FINANCIAL COMMITMENTS

The totals of future minimum lease payments under non-cancellable operating leases for each of the following periods were:

	2024	2023
	£'000	£'000
Land and buildings		
Not later than one year	227	155
Later than one year and not later than five years	136	126
Later than five years	1	1
	364	282
Other		
Not later than one year	24	23
Later than one year and not later than five years	29	68
	53	91

26 CAPITAL COMMITMENTS

The College had contracted commitments at 31 July 2024 for future capital projects totalling £60k (2023: £0k)

27 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.

	2024	2023
	£'000	£'000
B Frellesvig	17	21
V Vyazovskiy	68	71
R Zubek	144	151
A Nair	292	-
	521	243

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.

28 CONTINGENT LIABILITIES

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

29 POST BALANCE SHEET EVENTS

The statement of accounts was authorised for issue on 27th November 2024. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31st July 2024 the figures in the financial statements and notes have been adjusted in all material respects to reflect this information.

On 9th October, the Principal of Hertford College tendered his resignation. As this event arose after the balance sheet date, and does not impact the conditions surrounding the financial statements, it is deemed to be a non adjusting event. During the transition period until a new principal is appointed, the governance of the college will be overseen by Professor Pat Roche, who has been elected as the interim Principal.

Accounts

Hertford College

Annual Report and Financial Statements

Year ended 31st July 2023

Hertford College
Annual Report and Financial Statements for the year ended 31st July 2023

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MEMBERS OF THE GOVERNING BODY

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

Governing Body Fellow	College Office	(1)	(2)	(3)	(4)	(5)
Professor E Baldwin			•			
Professor H Bayley						
Professor C D Brewer						
Professor E Chatzis						
Mr J K Clark	Bursar	•	•	•	•	•
Professor Z F Cui						
Professor F Duarte						
Dr D Dwan	Harassment Advisor				•	
Mr T Fletcher	Principal	•	•	•	•	•
Professor B M Frellesvig	Tutor for Graduates	•		•	•	
Dr A Galanis		•				
Dr K Greasley		•				
Professor D Greaves						
Professor D M Hopkin						
Dr J Kiaer	Dean of Degrees					
Professor D Kielak						•
Professor A G Lauder						
Professor P Ligoxygakis	Student Conduct Officer					
Dr J Lorimer						
Dr K Lunn-Rockliffe	Prevent Lead					
Professor I McBride						
Professor M Maiden					•	
Dr L Malafouris					•	
Professor A Mikes	Tutor for Equality & Diversity					•
Professor P J R Millican		•				
Dr E Mortimer						
Dr A Nair	Harassment Advisor		•			
Dr S J New			•			
Dr O J Noble Wood	Dean and SCR Steward				•	•
Professor S Parameswaran	Fellow for Research	•				
Professor P F Roche	Investment Bursar		•	•	•	

Hertford College
Governing Body, Officers and Advisers
Year ended 31st July 2023

Governing Body Fellow	College Office	(1)	(2)	(3)	(4)	(5)
Dr F Romei					•	
Dr L Slater				•		
Dr C Sloan	Porter Fellow, Secretary to GB	•				
Professor E Smith	Fellow Librarian, Pro Principal	•		•		
Dr L Speight						
Professor G Sternberg			•			
Professor D Thomas						
Professor C Vallance	Senior Tutor	•		•	•	•
Dr C Veliz	Independent Prevent Monitor					
Dr Vyazovskiy	Dean of Degrees					
Professor T Wilson	Senior Fellow					
Professor M Wooldridge				•		
Professor A C S Woollard						•
Ms F Wheare	Director of Development			•		•
Professor R G Zubek						

During the year the activities of the Governing Body were carried out through various committees and Officers. Membership of the main committees is shown above for each Fellow.

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

COLLEGE SENIOR STAFF

The senior staff of the College to whom specific aspects of day to day management were delegated during the course of the year, and who are regarded as Key Management Personnel, was as follows.

College Accountant *Mrs Judi Banks*

Domestic Bursar *Mr James Hill*

Registrar and Director of Admissions *Ms Lynn Featherstone (until 31.8.22) Ms Megan Roper (from 8.11.22)*

COLLEGE ADVISERS

Investment managers

Rathbones Investment Management Ltd
8 Finsbury Circus
London
EC2M 7AZ

Oxford University Endowment Management
27 Park End Street
Oxford
OX1 1HU

Auditor

Crowe U.K. LLP
55 Ludgate Hill
London
EC4M 7JW

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 2023

REPORT OF THE GOVERNING BODY

The Members of the Governing Body present their Annual Report for the year ended 31st July 2023 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 4.

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 Oxford Living Wage, which is set at a level above the National Living Wage.

The remuneration of Fellows 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.

Organisational management

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

HERTFORD COLLEGE

Report of the Governing Body

Year ended 31 July 2023

- 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.
- College Committee: has oversight of various members' matters, including 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, with the Principal and the Bursar in attendance. 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 Domestic Bursar. The Bursar attends all meetings of the Governing Body's Committees, except Academic Committee.

Group structure and relationships

The College administers a number of special trusts, as detailed in Notes 17 and 18 to the financial statements.

The College has two wholly-owned non-charitable subsidiaries. Hertford College Programmes started trading on 1st August 2010, and its activities primarily comprise conferences and English Language programmes which use the College's facilities when not in use by the College. Annual profits are donated to the College under the Gift Aid Scheme. Hertford College Design and Build started trading on 13th March 2020, and its activities comprise designing, commissioning and constructing new estates facilities for the College. Annual profits are donated to the College under the Gift Aid Scheme.

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.

The aims of the College's subsidiaries are to help to fund, or otherwise support, the achievement of the College's aims as above.

HERTFORD COLLEGE

Report of the Governing Body

Year ended 31 July 2023

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. During the year, the College had approximately 420 undergraduates, 262 postgraduates, and 35 fellows who have contractual obligations to teach as well as 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. 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 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 (and the EU in some circumstances) 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 the UK, 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. In 2022/2023 a total of £780k was spent on student support.

- **Oxford Bursaries** are available to UK undergraduates from households assessed as having a sufficiently low income. In the 2022/23 year, 110 of the College's undergraduates received an Oxford Bursary funded jointly by the University and the College, with a total value of £414k.
- In 2011/12 the College introduced a means-tested **Hertford Undergraduate Bursary** of £1,000, for UK undergraduates. This bursary was extended to EU students in 2012/13. In 2022/23, 130 Hertford students were awarded the Hertford Undergraduate Bursary.
- **Graduate funding** is also provided in the form of scholarships and grants. The College awarded a total of £395k in 2022/23 for this purpose.
- The College also offers **Student Support** in the form of grants to both undergraduate and graduate students who experience unexpected financial hardship, for academic related travel, or as rent subsidies. In 2022/23 the College distributed £157k to support students in this way.

HERTFORD COLLEGE

Report of the Governing Body

Year ended 31 July 2023

ACADEMIC REVIEW

Hertford welcomed one new tutorial fellow in 2022-23: Dr Beth Mortimer, Tutorial Fellow in Animal Biology. In addition to her excellent research history and teaching experience, Dr Mortimer brings with her a significant background in access, widening participation, and outreach, which will complement the STEM portion of our outreach programme. The College also participated in recruitment exercises for a further three tutorial fellows who will join the College in subsequent years.

During the 2022-23 academic year sixteen new stipendiary lecturers joined us, and we appointed a further six non-stipendiary lecturers. A working group has been convened at the request of Governing Body to review the ever-increasing demands on academics, and how the College can best support the careers of its academic staff with respect to research, and to teaching. The working group is still undertaking its data collection and it is anticipated that a report will be finalised in the next academic year.

Following the UCAS Confirmation cycle in August 2022, we welcomed a smaller undergraduate fresher cohort, of 117 (plus two returning students resuming first-year study in Michaelmas term), in October 2022. This continued the downward trend established in the previous year following the exceptionally large cohort the College welcomed in 2020, which was a result of covid-related disruption and changes to assessment and marking methods. As with 2021's cohort, 92% of the 2022-entry cohort were UK students, of which 77% were from state schools (9% higher than the University average) and 45% from disadvantaged backgrounds (as determined by socio-economic and/or educational information).

The 2022-23 academic year was the first since the pandemic where there were no pandemic-related teaching arrangements required. The introduction of typed closed-book exams was new for this year, and necessitated an even greater amount of support than usual from the College's IT team for those students who sit their exams in college, separate from their cohort.

The University and College were affected by a marking and assessments boycott ('MAB'), which started in April 2023 and continued until the end of September 2023. Some exam boards were unaffected while others were significantly impacted, though the University introduced mitigation measures to minimise the number of students whose degrees could not be completed on time. The vast majority of Hertford students were able to graduate on time, but three received temporary declared awards. It is anticipated that these will be converted to traditional classified awards in due course, once the outstanding work has been marked. This also means that the Norrington Report for 2022-23 will be significantly delayed; indeed, at the time of writing, the Norrington Report for 2021-22 is still awaiting final confirmation and dissemination.

Our outreach focus continues to be on our link regions of Camden, Essex, Southend-on-Sea, Thurrock, Medway, and Peterborough. There was a fairly even split of the number of students engaged through outbound, inbound, and online activities, and we have continued to offer a monthly Teachers' Bulletin to teachers in our link regions during term-time. The sustained experience initiatives, where students engage with the outreach team and college at multiple occasions over a period of time, have proven especially useful for participants, so we are planning to expand this more where possible.

We are proud to have met our target number of six Opportunity Oxford offers in the 2022 undergraduate admissions round, ensuring our enhanced support for students coming from significantly disadvantaged backgrounds. Our Access Strategy, developed during the 2022-23 academic year, sets out a plan for further enhancements to our access and outreach provision, as well as for supporting students who are on-course and who come from disadvantaged backgrounds, in recognition of the fact that they will continue to require academic, pastoral, and financial support during their studies.

The College welcomed 105 new postgraduate students for 2022-23, of which 67 were taught master's students and 38 were research students. We supported 31 graduate students with full or partial funding for course fees and/or living stipends, and are reviewing our graduate scholarship provision for the coming years in line with various funding opportunities and our strategic objectives.

HERTFORD COLLEGE

Report of the Governing Body

Year ended 31 July 2023

FINANCIAL REVIEW

The Financial Statements for 2022/23 follow the requirements of FRS102.

A strong return for our International Programmes activities accounted for the majority a circa 12% uplift in operating income. Increased Development income also made a significant contribution.

Reported expenditure for the year was down by 4%. In fact, the current economic climate continues to put pressure on costs, but the apparent reduction in teaching, research and residential costs masks this, as it includes the positive swing in pensions reserves (which, in combination with the negative swing the year before serves to exaggerate the movement). The underlying operating costs in this category have in fact increased by around 6%, despite some significant costs reductions through estates cost savings.

The net impact of these movements resulted in a positive movement for net operating profit, although this still remains negative, with trading income still having some way to go to return to pre-pandemic levels. Projections for the coming year show a healthy further increase. On a cash basis, 2022/23 saw a return to a positive position on core operations.

The College's investment holdings saw a decline in value of around £0.8m, again reflecting economic conditions, but represents a slow-down from last year's circa £3m reduction.

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 £7.4m, representing retained unrestricted income reserves, excluding an amount of £13.905m for the book value of fixed assets and the reserve against future Pension Deficits required by the implementation of FRS102 (£2.155m). 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 £91.889m (2022: £92.978m). This includes endowment capital of £68.9m, designated funds of £0.85m and unspent restricted income funds totalling £3.85m.

The Fellows have assessed the College's ability to continue as a going concern. The Fellows have considered several factors when forming their conclusion as to whether the use of the going concern basis is appropriate when preparing these financial statements, including a review of updated forecasts, and a consideration of key risks. The College has a large endowment, and financial performance continues to be monitored regularly. The Fellows have scrutinised the key assumptions within the financial budget and forecast, and are satisfied that the current level of free reserves, available investment and cash balances are adequate to meet the College's obligations as they fall due. Having regards to the above, the Fellows are satisfied that there are no material uncertainties around the decision to adopt the going concern basis of accounting in preparing these financial statements.

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. The College identifies and regularly 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.

Principal risks are assessed by the Treasury Committee, and more detailed risks by other committees (e.g. Health and Safety Committee), College Officers and Heads of Department. 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

HERTFORD COLLEGE

Report of the Governing Body

Year ended 31 July 2023

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 subsidiaries include:

- 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:

- Operating structured and formalised processes for the identification, assessment, and management of the response to risk.
- Establishing the appropriate committees to ensure oversight of all key activities, with responsibility 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;
- Ensuring the appropriate insurance policies are in place, and reviewed regularly.

Fundraising

In the 2022-23 financial year, philanthropic income returned to previous levels, with £1.25m raised in donations (including legacies) and a further £766k in new pledges, to be fulfilled over the next 3-5 years. Additionally, based on current data, we can expect to receive c.£350k in lower-level regular or one-off gifts per annum across the same period. Our donor numbers dipped slightly to 940, comprising recurring and new donors. Donations continue to support a range of different projects, with a particular focus this year on the library. We also saw an increase in donations towards graduate scholarships, as well as the usual high levels of support for unrestricted funding.

Our usual event programme of gaudies, subject reunions and networking events was supplemented this year by the Hertford Festival, a two-day long programme of talks and family activities. The programme attracted a different audience, helping us to broaden our reach to a wider group of alumni. We continued to see high levels of engagement on social media, and received excellent feedback on our two publications, the Donor Report and College Magazine.

Hertford College is committed to following best practice in relation to all fundraising activities. The Development Director sits on Governing Body and convenes the termly Development Committee, which provides oversight of all fundraising and alumni relations activity in college. Hertford is registered with the Fundraising Regulator and has protocols and procedures in place to ensure that fundraising is open, honest, and respectful, adhering to legal and industry-specific guidelines. Hertford does not engage any

HERTFORD COLLEGE

Report of the Governing Body

Year ended 31 July 2023

professional third parties to carry out fundraising activities on its behalf.

Investment policy, objectives and performance

The College's Statement of Investment Principles sets out the following aims:

- 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 (financial and property) was £120m (2022 £121m), of which £73m represents endowed or restricted funds. The total investment income was c. 3.1% gross (average value).

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

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

To meet these objectives the College's investments of its permanent endowed funds are managed on a total return basis, maintaining diversification across a range of asset classes in order to produce an appropriate balance between risk and return. In line with this approach, the College statutes allow the College to invest permanent endowments to maximise the related total return and to make available for expenditure each year an appropriate proportion of the unapplied total return. The value date for establishing the initial values of the Investment Fund and the Unapplied Total Return was 31st July 2009.

The investment strategy, policy and performance is monitored by the Investment Committee. At the year end, the College's long term investments (permanent endowment only), combining securities and property investments, totalled £68.9m. Direct income earned on these investments amounted to £2.74m, and net value gains were £0.94m.

Under the total return accounting basis, it is the Governing Body's policy to extract as income 4.25% of the value of the relevant investments. However, to smooth and moderate, the amounts withdrawn are calculated on the average of the year end values in each of the last five years. Due to fluctuating investment values over the previous five years, the effective amounts withdrawn may vary from the nominal rate. For the year ending July 31st 2023, an amount of £2.8m was withdrawn as income. The Governing Body will keep the level of income withdrawn under review to balance the needs and interests of current and future beneficiaries of the College's activities.

The Governing body is satisfied that the overall performance of investment activities for the year has met the objectives set.

HERTFORD COLLEGE

Report of the Governing Body

Year ended 31 July 2023

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 improved study space), 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.

With the expectation of major capital expenditure in the next 5 years, during a period of challenging economic pressures, it will be more important than ever to ensure that operational expenditure is optimised.

STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES

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

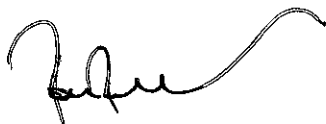
Charity law requires the Governing Body to prepare financial statements for each financial year. Under that law the Governing Body have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law),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

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

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

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

Approved by the Governing Body on the 22nd of November 2023 and signed on its behalf by:



Mr T Fletcher
Principal



Mr J K Clark
Bursar

HERTFORD COLLEGE

Report of the Auditors

Year ended 31 July 2023

Independent Auditor's Report to the Trustees of Hertford College

Opinion

We have audited the financial statements of Hertford College for the year ended 31 July 2023 which comprise the Consolidated Statement of Financial Activities, Consolidated and College Balance Sheets, Consolidated Statement of Cash Flows and notes to the financial statements, including 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 the parent charity's affairs as at 31 July 2023 and of the group's income and receipts of endowments 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

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

HERTFORD COLLEGE

Report of the Auditors

Year ended 31 July 2023

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 requires 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 and proper 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, 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 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 of the Charities Act 2011, and report in accordance with the Acts 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the parent charity and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were taxation legislation, the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the

HERTFORD COLLEGE

Report of the Auditors

Year ended 31 July 2023

financial statements but compliance with which might be fundamental to the parent charity's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the parent charity and the group for fraud. The other laws and regulations we considered in this context for the group were General Data Protection Regulations and Health and Safety regulations.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the recognition of income, and the override of controls by management. Our audit procedures to respond to risk of income recognition included selecting a sample of income during the year, agreeing back to the relevant documentation and ensuring it has been recognised correctly. Our audit procedures to respond to the risk of management override included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

Date: 29 November 2023

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.

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 subsidiaries Hertford Programmes Limited and Hertford College Design and Build Limited. The subsidiaries have been consolidated from the date of their formation, being the date from which the College has exercised control through voting rights in the subsidiaries. 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 with reference to the latest scheme valuation.

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.

HERTFORD COLLEGE

Statement of Accounting Policies

Year ended 31 July 2023

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.

Total Return accounting principles have been adopted in relation to investments held as part of the permanent endowment.

The carrying value of the trust for investment (the preserved permanent capital) has been taken as the market value of the relevant investments as at 31st July 2009, together with the original gift value of all subsequent endowments received and transfers from the unapplied total return approved by the Governing Body to increase the value of the trust for investment. The balance of the investment unapplied total returns is accumulated as a component of the relevant endowment funds with amounts from this being released to income each year at the discretion of the Governing Body.

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).

HERTFORD COLLEGE

Statement of Accounting Policies

Year ended 31 July 2023

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

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 -50 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.

HERTFORD COLLEGE

Statement of Accounting Policies

Year ended 31 July 2023

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

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 subsidiaries 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.

HERTFORD COLLEGE

Statement of Accounting Policies

Year ended 31 July 2023

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 the 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 2023

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2023 Total £'000	2022 Total £'000
INCOME AND ENDOWMENTS FROM:						
Charitable activities:	1					
Teaching, research and residential		6,901	-	220	7,121	6,751
Other Trading Income	3	1,484	-	-	1,484	385
Donations and legacies	2	435	817	-	1,252	800
Investments						
Investment income	4	1,052	147	2,520	3,719	4,156
Total return allocated to income	17	2,475	352	(2,827)	-	-
Other income	5	1	-	-	1	46
Total income		12,348	1,316	(87)	13,577	12,138
EXPENDITURE ON:						
	6					
Charitable activities:						
Teaching, research and residential		10,301	975	-	11,276	12,099
Generating funds:						
Fundraising		566	-	-	566	457
Trading expenditure		812	-	-	812	798
Investment management costs		933	7	226	1,166	1,090
Total Expenditure		12,612	982	226	13,820	14,444
Net Income/(Expenditure) before gains / (losses)		(264)	334	(313)	(243)	(2,306)
Net gains/(losses) on investments	12	(1,808)	47	938	(823)	(3,095)
Net Income/(Expenditure)		(2,072)	381	625	(1,066)	(5,401)
Transfers between funds	17	22	30	(52)	-	-
Other recognised gains/losses						
Gains/(losses) on revaluation of fixed assets		-	-	-	-	-
Actuarial gains/(losses) on defined benefit pension schemes		-	-	-	-	-
Net movement in funds for the year		(2,050)	411	573	(1,066)	(5,401)
Fund balances brought forward	17	21,228	3,442	68,311	92,981	98,379
Prior year fund adjustment		-	-	-	-	-
Funds carried forward at 31 July		19,178	3,853	68,884	91,915	92,978

Hertford College
Consolidated Statement of Financial Activities
For the year ended 31 July 2022

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2022 Total £'000
INCOME AND ENDOWMENTS FROM:				
Charitable activities:				
Teaching, research and residential	6,527	-	224	6,751
Other Trading Income	385	-	-	385
Donations and legacies	241	559	-	800
Investments				-
Investment income	1,610	149	2,397	4,156
Total return allocated to income	2,435	361	(2,796)	-
Other income	46	-	-	46
Total income	11,244	1,069	(175)	12,138
EXPENDITURE ON:				
Charitable activities:				
Teaching, research and residential	11,710	339	50	12,099
Generating funds:				
Fundraising	457	-	-	457
Trading expenditure	798	-	-	798
Investment management costs	937	12	141	1,090
Total Expenditure	13,902	351	191	14,444
Net Income/(Expenditure) before gains	(2,658)	718	(366)	(2,306)
Net gains/(losses) on investments	(1,048)	(107)	(1,940)	(3,095)
Net Income/(Expenditure)	(3,706)	611	(2,306)	(5,401)
Transfers between funds	1,124	(1,077)	(47)	-
Net movement in funds for the year	(2,582)	(466)	(2,353)	(5,401)
Fund balances brought forward	21,862	5,853	70,664	98,379
Prior year fund adjustment	1,948	(1,948)		
Funds carried forward at 31 July	21,228	3,439	68,311	92,978

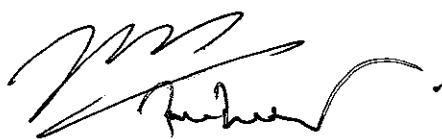
Hertford College
Consolidated and College Balance Sheets
As at 31 July 2023

	Notes	2023 Group £'000	2022 Group £'000	2023 College £'000	2022 College £'000
FIXED ASSETS					
Tangible assets	10	13,905	13,599	13,905	13,599
Property investments	11	10,063	9,389	10,063	9,389
Other Investments	12	109,664	111,441	109,664	111,441
Total Fixed Assets		133,632	134,429	133,632	134,429
CURRENT ASSETS					
Stocks		18	20	18	20
Debtors	14	3,346	2,092	2,466	3,302
Cash at bank and in hand		570	801	449	211
Total Current Assets		3,934	2,913	2,933	3,533
LIABILITIES					
Creditors: Amounts falling due within one year	15	(3,496)	(1,527)	(2,210)	(1,201)
NET CURRENT ASSETS		438	1,386	723	2,332
TOTAL ASSETS LESS CURRENT LIABILITIES		134,070	135,815	134,355	136,761
CREDITORS: falling due after more than one year	16	(40,000)	(40,000)	(40,000)	(40,000)
NET ASSETS BEFORE PENSION ASSET OR LIABILITY		94,070	95,815	94,355	96,761
Defined benefit pension scheme liability	21	(2,155)	(2,837)	(2,155)	(2,837)
TOTAL NET ASSETS		91,915	92,978	92,200	93,924
FUNDS OF THE COLLEGE					
Endowment funds		68,888	68,311	68,888	68,311
Restricted funds		3,850	3,439	3,850	3,439
Unrestricted funds					
Designated funds		14,754	14,724	15,040	15,670
General funds		6,577	9,341	6,577	9,341
Revaluation reserve					
Pension reserve	21	(2,155)	(2,837)	(2,155)	(2,837)
		91,915	92,978	92,200	93,924

The financial statements were approved and authorised for issue by the Governing Body of Hertford College on 22nd November 2023

Trustee:

Trustee:



Hertford College
Consolidated Statement of Cash Flows
For the year ended 31 July 2023

	Notes	2023 £'000	2022 £'000
Net cash provided by (used in) operating activities	23	(1,696)	(3,687)
Cash flows from investing activities			
Dividends, interest and rents from investments		3,722	4,155
Proceeds from the sale of property, plant and equipment		-	200
Purchase of property, plant and equipment		(1,571)	(2,604)
Proceeds from sale of investments		6,220	3,171
Purchase of investments		(5,940)	(832)
Net cash provided by (used in) investing activities		2,431	4,090
Cash flows from financing activities			
Coupon on Private Placement Paid		(966)	(966)
Cash inflows from new borrowing		-	-
Receipt of endowment		-	-
Net cash provided by (used in) financing activities		(966)	(966)
Change in cash and cash equivalents in the reporting period		(231)	(563)
Cash and cash equivalents at the beginning of the reporting period		801	1,364
Change in cash and cash equivalents in the reporting period		(231)	(563)
Cash and cash equivalents at the end of the reporting period	24	570	801

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1 INCOME FROM CHARITABLE ACTIVITIES

	2023 £'000	2022 £'000
Teaching, Research and Residential		
Unrestricted funds		
Tuition fees - UK and EU students	1,844	1,877
Tuition fees - Overseas students	1,278	1,120
Other fees	712	687
Other HEFCE support	211	224
Other academic income	222	30
College residential income	2,634	2,589
	6,901	6,527
Restricted funds		
College residential income	-	-
	-	-
Endowed funds		
College residential income	220	224
	220	224
Total Teaching, Research and Residential	7,121	6,751
	-	-

From 2021/22 fee income is generated at overseas rates for students from the EU

The above analysis includes £3333k received from Oxford University from publicly accountable funds under the CFF Scheme, net of College fees received directly (2022: £3,221k).

2 DONATIONS AND LEGACIES

	2023 £'000	2022 £'000
Donations and Legacies		
Unrestricted funds	435	241
Restricted funds	817	559
Endowed funds	-	-
	1,252	800

3 INCOME FROM OTHER TRADING ACTIVITIES

	2023 £'000	2022 £'000
Subsidiary company trading income	1,484	200
Other trading income	-	185
	1,484	385

Note 13

4 INVESTMENT INCOME

	2023 £'000	2022 £'000
Unrestricted funds		
Commercial rent	34	24
Equity dividends	857	1,393
Income from fixed interest stocks	115	190
Interest on fixed term deposits and cash	-	-
Bank interest	46	2
	1,052	1,609
Restricted funds		
Equity dividends	119	132
Income from fixed interest stocks	28	17
	147	149
Endowed funds		
Equity dividends	2,037	2,124
Income from fixed interest stocks	483	273
	2,520	2,397
Total Investment income	3,719	4,155

5 OTHER INCOME

Other income in 2022/23 represents income from royalties

Hertford College
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6 ANALYSIS OF EXPENDITURE

	2023 £'000	2022 £'000
Charitable expenditure		
Direct staff costs allocated to:		
Teaching, research and residential	5,499	4,727
Other direct costs allocated to:		
Teaching, research and residential	4,107	3,498
Support and governance costs allocated to:		
Teaching, research and residential	1,670	3,874
Total charitable expenditure	11,276	12,099
Expenditure on raising funds		
Direct staff costs allocated to:		
Fundraising	359	223
Trading expenditure	150	144
Other direct costs allocated to:		
Fundraising	184	190
Trading expenditure	110	134
Support and governance costs allocated to:		
Fundraising	23	44
Trading expenditure	552	520
Investment management costs	1,166	937
Total expenditure on raising funds	2,544	2,192
Total expenditure	13,820	14,291

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 College Contribution payable of £43k (2022 - £39k).

7 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

	Generating Funds £'000	Teaching and Research £'000	2023 Total £'000
General administration	1,331	581	1,912
Human resources	-	125	125
IT	28	312	340
Depreciation	190	1,076	1,266
Loss/(profit) on fixed assets	-	-	-
Other finance charges	-	(776)	(776)
Governance costs	51	263	314
	1,600	1,581	3,181

	Generating Funds £'000	Teaching and Research £'000	2022 Total £'000
General administration	1,250	1,069	2,319
Human resources	-	57	57
IT	41	432	473
Depreciation	192	1,083	1,275
Loss/(profit) on fixed assets	-	(23)	(23)
Other finance charges	-	1,037	1,037
Governance costs	23	219	242
	1,506	3,874	5,380

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.

	2023 £'000	2022 £'000
Governance costs comprise:		
Auditor's remuneration - audit services	51	9
Auditor's remuneration - tax advisory services	15	12
Legal and other fees on constitutional matters	248	221
	314	242

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.

8 GRANTS AND AWARDS

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

	2023 £'000	2022 £'000
Unrestricted funds		
Grants to individuals:		
Scholarships, prizes and grants	148	184
Bursaries and hardship awards	241	215
Grants to other institutions	-	-
Total unrestricted	389	399
Restricted funds		
Grants to individuals:		
Scholarships, prizes and grants	326	414
Bursaries and hardship awards	68	2
Total restricted	394	416
Total grants and awards	783	815

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

9 STAFF COSTS

The aggregate staff costs for the year were as follows.

	2023 £'000	2022 £'000
Salaries and wages	5,515	5,149
Social security costs	447	318
Pension costs:		
Defined benefit schemes	224	1,895
	6,186	7,362

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

	2023	2022
Tuition and research	31	68
College residential	87	83
Fundraising	5	4
Support	31	35
Total	154	190

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

	2023	2022
University Lecturers	18	18
CUF Lecturers	8	8
Other teaching and research	12	13
Other	3	3
Total	41	42

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 £4k in 2022/23 (£77k in 2021/22). All redundancy costs are accounted for in the year in which the decision was made to terminate employment.

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:

	2023	2022
£60,001-£70,000	4	3
£70,001-£80,001	-	-
£80,001-£90,001	-	-
£90,001-£100,001	-	-
£100,001-£110,001	-	-

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

	2023	2022
In defined benefits schemes	4	3
	4	3
	224	1,895

The College contributions to defined contribution pension schemes totalled (£905k contributions paid and a credit for decreased pension provision liability of £681k)

10 TANGIBLE FIXED ASSETS

Group	Freehold land and buildings £'000	Plant and machinery £'000	Total £'000
Cost			
At start of year	27,135	482	27,617
Additions	1,537	34	1,571
Transfers to Investment properties	-	-	-
Disposals	-	-	-
At end of year	28,672	516	29,188
Depreciation and impairment			
At start of year	13,554	464	14,018
Depreciation charge for the year	1,212	53	1,265
Transfers to Investment properties	-	-	-
Depreciation on disposals	-	-	-
At end of year	14,766	517	15,283
Net book value			
At end of year	13,906	(1)	13,905
At start of year	13,581	18	13,599

At 31st July 2023, £2.45m of the Net Book Value of Fixed Assets represented assets under construction (2022: £1.29m).

College	Freehold land and buildings £'000	Plant and machinery £'000	Total £'000
Cost			
At start of year	27,135	482	27,617
Additions	1,537	34	1,571
Transfers to Investment properties	-	-	-
Disposals	-	-	-
At end of year	28,672	516	29,188
Depreciation and impairment			
At start of year	13,554	464	14,018
Charge for the year	1,212	53	1,265
Transfers to Investment properties	-	-	-
On disposals	-	-	-
Impairment	-	-	-
At end of year	14,766	517	15,283
Net book value			
At end of year	13,906	(1)	13,905
At start of year	13,581	18	13,599

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.

11 PROPERTY INVESTMENTS

Group	Other £'000	2023 Total £'000	2022 Total £'000
Valuation at start of year	9,389	9,389	7,952
Transfers	-	-	-
Revaluation gains/(losses) in the year	674	674	(464)
Additions and improvements at cost	-	-	1,901
Valuation at end of year	10,063	10,063	9,389
College			
Valuation at start of year	9,389	9,389	7,952
Transfers	-	-	-
Revaluation gains/(losses) in the year	674	674	(464)
Additions and improvements at cost	-	-	1,901
Valuation at end of year	10,063	10,063	9,389

12 SECURITIES AND OTHER INVESTMENTS

All investments are held at fair value.

	2023 £'000	2022 £'000
Group investments		
Valuation at start of year	111,438	116,500
New money invested	-	-
Amounts withdrawn	(6,220)	(4,000)
Reinvested income	6,094	1,740
Investment management fees	(151)	(168)
Increase / (Decrease) in value of investments	(1,497)	(2,631)
Group investments at end of year	109,664	111,441
Post year end adjustment	-	-
Revised brought forward investment balance	109,664	111,441
Investment in subsidiaries	-	-
College investments at end of year	109,664	111,441

Group investments comprise:

	Held in the UK £'000	2023 Total £'000	Held in the UK £'000	2022 Total £'000
Equity investments	22,083	22,083	22,652	22,652
Global multi-asset funds	26,148	26,148	24,948	24,948
Property funds	546	546	683	683
Fixed interest stocks	8,527	8,527	12,729	12,729
Alternative and other investments (OUEM)	41,727	41,727	43,956	43,956
Fixed term deposits and cash	10,633	10,633	6,473	6,473
Total group investments	109,664	109,664	111,441	111,441

13 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.

Hertford College Design and Build Limited (Company Registration Number 12517047), a company limited by guarantee, is a wholly owned subsidiary of the College. It commenced trading on 13th March 2020 and its activities comprise designing, commissioning and constructing new estates facilities for the College.

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

	2023 Hertford College Design and Build £'000	2023 Hertford College Programmes Ltd £'000	2022 Hertford College Design and Build £'000	2022 Hertford College Programmes £'000
Income	548	1,484	185	200
Expenditure	(544)	(812)	(186)	(654)
Donation to College under gift aid	(4)	-	1	-
Result for the year	-	672	-	(454)
Total assets	27	996	34	561
Total liabilities	(27)	(996)	(34)	(561)
Net funds at the end of year	-	-	-	-

There was no Gift Aided management charge paid by Hertford College Programmes to the College during 2022-23 (2022: £0k). It is customary for any surplus from the operation of Hertford College Programmes to be donated to Hertford College. However, the surplus of £648k at the end of 22/23 was applied to the brought forward losses (generated by covid). At the year end, a balance of £467k was owed by Hertford College to Hertford College programmes (2022: £489k was owed by Hertford College Programmes to Hertford College).

During 2022-23, Hertford College Design and Build donated £4k (2022: £0k) to Hertford College. At the year end, a balance of £12k was owed to Hertford College by Hertford College Design & Build.

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14 DEBTORS

	2023 Group £'000	2022 Group £'000	2023 College £'000	2022 College £'000
Amounts falling due within one year:				
Trade debtors	575	151	176	151
Amounts owed by College members	507	40	507	40
Amounts owed by Group undertakings	-	-	(481)	1,210
Loans repayable within one year	18	16	18	16
Prepayments and accrued income	2,246	1,885	2,246	1,885
	<u>3,346</u>	<u>2,092</u>	<u>2,466</u>	<u>3,302</u>

15 CREDITORS: falling due within one year

	2023 Group £'000	2022 Group £'000	2023 College £'000	2022 College £'000
Trade creditors	(125)	524	(137)	496
Amounts owed to College Members	331	(17)	331	(17)
Taxation and social security	121	134	134	140
College contribution	-	(7)	-	(7)
Accruals and deferred income	2,924	649	1,637	345
Other creditors	245	244	245	244
	<u>3,496</u>	<u>1,527</u>	<u>2,210</u>	<u>1,201</u>

16 CREDITORS: falling due after more than one year

	2023 Group £'000	2022 Group £'000	2023 College £'000	2022 College £'000
Other creditors	40,000	40,000	40,000	40,000
	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>

Creditors fall due after more than one year comprise two bonds. The first was entered into in 2017/18, which has a fixed term of 30 years of which 24 remain, with a fixed coupon of 2.52%. These 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. The second bond was entered into during 2020/21 with a fixed term of 30 years and a fixed coupon of 2.31%. These funds will be used to support the significant capital investment in new facilities for the college. In a similar manner to the first bond, a portion of the proceeds has also been designated for long term investment to cover the repayment of the capital.

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17 ANALYSIS OF MOVEMENTS ON FUNDS

	At 1 August 2022 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Total Return £'000	Gains/ (losses) £'000	At 31 July 2023 £'000
Endowment Funds - Permanent							
College Endowment Fund	58,760	2,354	(198)	-	(2,472)	807	59,251
Drapers Fellowship Fund (Previously "Drapers Fund")	624	25	(2)	-	(28)	9	628
Mortimer May	1,015	41	(3)	-	(43)	14	1,024
E. M. Vaughan-Williams Trust	631	25	(2)	-	(26)	9	637
Michael Baring Travel Fund	95	4	-	-	(4)	1	96
Roger Van Noorden Economics Fund	631	25	(2)	-	(26)	9	637
Ellis-Barnard History Fellowship	1,589	64	(5)	-	(67)	22	1,603
Other Scholarship Funds	123	5	-	-	(6)	2	124
Student Support	760	30	(3)	-	(33)	10	764
Fellowship Fund	2,140	88	(7)	-	(90)	29	2,158
Drapers Scholarship Fund	665	27	(2)	-	(28)	9	671
Endowment Funds - Expendable							
Carreras Fellowship	632	27	(1)	(26)	-	9	641
Starun Fund	243	10	-	(10)	-	3	246
Armstrong-Macintyre-Markham	353	1	-	(1)	-	-	353
Law Student Support (Previously "BCL") Fund	48	16	(1)	(15)	-	5	53
Total Endowment Funds - College	68,311	2,740	(226)	(52)	(2,823)	938	68,888
Restricted Funds							
Undergraduate Bursaries	63	16	-	-	-	1	80
Unspent income funds	-	-	-	-	-	-	-
Carreras Fellowship	51	-	-	26	-	1	78
Drapers	-	-	-	-	-	-	-
Drapers Fellowship	89	4	-	-	28	1	122
Drapers Scholarship	111	35	-	-	28	2	176
Mortimer May	144	6	(82)	-	43	2	113
E. M. Vaughan-Williams Trust	198	10	(22)	-	26	3	215
Janeway Restricted Fund	60	3	(1)	-	-	1	63
Unspent income of other Funds above	274	124	(47)	26	103	4	484
Other Funds	1,479	723	(827)	(22)	33	20	1,406
Oxford Opportunity Bursary	-	-	-	-	-	-	-
Matched Library	881	38	(2)	-	-	12	929
General Fellowships	89	4	-	-	90	1	184
Total Restricted Funds - College	3,439	963	(981)	30	351	48	3,850
Unrestricted Funds							
General	9,341	9,877	(12,338)	(966)	2,471	(1,808)	6,577
Fixed asset designated	13,599	-	-	306	-	-	13,905
Designated Library fund	1,124	-	(275)	-	-	-	849
Pension Reserve	(2,837)	-	-	682	-	-	(2,155)
Total Unrestricted Funds - College	21,227	9,877	(12,613)	22	2,471	(1,808)	19,176
Unrestricted funds held by subsidiaries	-	-	-	-	-	-	-
Total Unrestricted Funds - Group	21,227	9,877	(12,613)	22	2,471	(1,808)	19,176
Total Funds	92,977	13,580	(13,820)	-	(1)	(822)	91,914

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	At 1 August 2021 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Total Return £'000	Gains/ (losses) £'000	At 31 July 2022 £'000
Endowment Funds - Permanent							
College Endowment Fund	60,774	2,253	(166)	-	(2,435)	(1,666)	58,760
Drapers Fellowship Fund (Previously "Drapers Fund")	653	24	(2)	-	(33)	(18)	624
Mortimer May	1,050	39	(3)	-	(42)	(29)	1,015
E. M. Vaughan-Williams Trust	653	24	(2)	-	(26)	(18)	631
Michael Baring Travel Fund	98	4	-	-	(4)	(3)	95
Roger Van Noorden Economics Fund	653	24	(2)	-	(26)	(18)	631
Ellis-Barnard History Fellowship	1,643	61	(4)	-	(66)	(45)	1,589
Other Scholarship Funds	136	5	-	-	(14)	(4)	123
Student Support	788	29	(2)	-	(33)	(22)	760
Fellowship Fund	2,214	82	(6)	-	(89)	(61)	2,140
Drapers Scholarship Fund	689	25	(2)	-	(28)	(19)	665
Endowment Funds - Expendable							
Carreras Fellowship	651	25	(1)	(25)	-	(18)	632
Starun Fund	249	10	-	(9)	-	(7)	243
Armstrong-Macintyre-Markham	354	1	-	(1)	-	(1)	353
Law Student Support (Previously "BCL") Fund	59	15	(1)	(14)	-	(11)	48
Total Endowment Funds - College	70,664	2,621	(191)	(49)	(2,796)	(1,940)	68,309
Restricted Funds							
Undergraduate Bursaries	48	16	-	-	-	(1)	63
Carreras Fellowship	28	-	-	24	-	(1)	51
Drapers Fellowship	55	2	-	-	33	(1)	89
Drapers Scholarship	42	30	12	-	28	(1)	111
Mortimer May	101	4	-	-	42	(3)	144
E. M. Vaughan-Williams Trust	187	8	(18)	-	26	(5)	198
Janeway Restricted Fund	61	2	(1)	-	-	(2)	60
Unspent income of other Funds above	168	12	(35)	24	110	(5)	274
Other Funds	2,341	597	(302)	(1,124)	33	(66)	1,479
Matched Library	874	33	(2)	-	-	(24)	881
General Fellowships	-	-	-	-	89	-	89
Total Restricted Funds - College	3,905	704	(346)	(1,076)	361	(109)	3,439
Unrestricted Funds							
General	11,268	8,809	(13,907)	1,784	2,435	(1,048)	9,341
Fixed asset designated	14,346	-	-	(747)	-	-	13,599
Undergraduate Bursaries	-	-	-	-	-	-	-
Designated Library Fund	-	-	-	1,124	-	-	1,124
Pension Reserve	(1,801)	-	-	(1,036)	-	-	(2,837)
Total Unrestricted Funds - College	23,813	8,809	(13,907)	1,125	2,435	(1,048)	21,227
Unrestricted funds held by subsidiaries	-	-	-	-	-	-	-
Total Unrestricted Funds - Group	23,813	8,809	(13,907)	1,125	2,435	(1,048)	21,227
Total Funds	98,382	12,134	(14,444)	-	-	(3,097)	92,975

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.

Endowment Funds (continued)

	Unapplied total return £000	Permanent capital £000	Total endowment £000
Balance at 1 August 2022	9,164	57,866	67,030
Income and gains			
Investment income	2,685	-	2,685
Investment gains / (losses)	918	-	918
Total income and gains	3,603	0	3,603
Application of total return	(2,823)	-	(2,823)
Fees and transfers			
Investment management fees	(225)	-	(225)
RPI adjustment	13	(13)	-
Total fees and transfers	(212)	(13)	(225)
Net movement in year	568	(13)	555
Balance at 31st July 2023	9,732	57,853	67,585

The Trustees have adopted a duly authorised policy of total return accounting for the College investment returns with effect from 1 August 2019. The investment return to be applied as income is calculated as 4.25% of the average of the year-end values of the relevant investments in each of the last 5 years (or the period since the original donation, if that is less than five years). The preserved (frozen) value of the invested endowment capital represents its open market value at 31st July 2009 together with all subsequent endowments valued at date of gift.

Endowment funds (continued)

	Trust for Investment 2022 £000	Unapplied total return 2022 £000	RPI Inflation 2023 £000	Income and gains £000	Application of total return 2023 £000	Total endowment 2023 £000	Unapplied total return 2023 £000
Funds							
Mortimer May	867	147	0	51	(43)	1,022	155
Drapers Fellowship Fund	543	80	0	31	(28)	626	83
E. M. Vaughan-Williams Trust	538	91	0	32	(26)	635	97
Michael Baring Travel Fund	81	14	0	5	(4)	96	15
Roger Van Noorden Economics Fund	612	16	0	32	(26)	634	22
Ellis-Barnard History Fellowship	1,534	54	0	80	(67)	1,601	67
Fellowship Fund	1,836	303	0	108	(90)	2,157	321
Matched Student Support	753	8	0	38	(33)	766	13
Drapers Scholarship Fund	660	4	0	33	(28)	669	9
College Endowment Fund	50,307	8,460	0	2,962	(2,472)	59,257	8,950
Scholarship Augmentation Fund	135	(13)	0	6	(6)	122	0
Funds total	57,866	9,164	0	3,378	(2,823)	67,585	9,732

18 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.
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.
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 Augmentation 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.
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 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
Law student support (previously known as 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 Stubley, 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
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.

The Trustees have adopted a duly authorised policy of total return accounting for the College investment returns with effect from 1 August 2019. The investment return to be applied as income is calculated as 4.25% of the average of the year-end values of the relevant investments in each of the last 5 years (or whole years since the date of donation, where donations have been received within 5 years of the end of the year in question). The preserved (frozen) value of the invested endowment capital represents its open market value in 2009 together with all subsequent endowments valued at date of gift, inflated annually in line with RPI.

19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2023 Total £'000
Tangible fixed assets	13,905	-	-	13,905
Property investments	-	-	10,064	10,064
Other investments	46,990	3,850	58,824	109,664
Net current assets	438	-	-	438
Long term liabilities	(40,000)	-	-	(40,000)
Pension Scheme Liability	(2,155)	-	-	(2,155)
	<u>19,178</u>	<u>3,850</u>	<u>68,884</u>	<u>91,916</u>

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2022 Total £'000
Tangible fixed assets	13,599	-	-	13,599
Property investments	101	-	9,288	9,389
Other investments	48,981	3,439	59,021	111,441
Net current assets	1,386	-	-	1,386
Long term liabilities	(40,000)	-	-	(40,000)
Pension Scheme Liability	(2,837)	-	-	(2,837)
	<u>21,230</u>	<u>3,439</u>	<u>68,309</u>	<u>92,978</u>

20 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. 35 trustees receive a housing allowance which which is disclosed within the salary figures below. 3 trustees live in a house owned jointly with the college.

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 £1,506,566 (2021-22 £1,483,578).

The total of pension contributions is £240,337 (2021-22 £240,450).

Remuneration paid to trustees

Range	2023		2022	
	Number of trustees	Gross remuneration, taxable benefits and pension contributions £	Number of trustees	Gross remuneration, taxable benefits and pension contributions £
£1,001-£2,000				
£2,001-£3,000				
£3,001-£4,000	1	3,388	1	3,289
£7,001-£8,000	1	4,224	1	4,113
£8,001-£9,000			1	8,571
£12,001-£13,000	1	12,457	2	25,542
£13,001-£14,000	1	13,380		
£19,001-£20,000	1	19,508		
£20,001-£21,000	1	20,979		
£21,001-£22,000			1	21,640
£22,001-£23,000	2	44,682	1	22,690
£23,001-£24,000			4	93,490
£24,001-£25,000	5	122,861	16	397,779
£26,001-£27,000	14	360,740		
£27,001-£28,000	1	27,028	1	27,197
£30,001-£31,000			1	30,027
£31,001-£32,000	1	31,221		
£32,001-£33,000			1	32,436
£33,001-£34,000	1	33,592		
£34,001-£35,000			1	34,899
£36,001-£37,000	1	36,132	1	36,568
£38,001-£39,000	1	38,944		
£40,001-£41,000			1	40,006
£43,001-£44,000			1	43,326
£47,001-£48,000	1	47,093		
£51,001-£52,000			1	51,885
£53,001-£54,000	1	53,932		
£57,001-£58,000			1	57,088
£59,001-£60,000			1	59,822
£60,001-£61,000	1	60,757	1	60,054
£61,001-£62,000			1	61,110
£62,001-£63,000	3	187,329		
£65,001-£66,000			1	65,025
£67,001-£68,000	1	67,662		
£86,000-£87,000			1	86,767
£90,001-£91,000	1	90,453		
£103,001-£104,000			1	103,178
£107,001-£108,000	1	107,933		
£117,001-£118,000			1	117,076
£122,001-£123,000	1	122,271		
	42	1,506,566	43	1,483,578

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 (2021/22: £0).
See also note 28 Related Party Transactions

Key management remuneration

The total remuneration paid to key management was £236k (2022: £236k).
Key management are considered to be the College Accountant, the Domestic Bursar and the Registrar and Director of Admissions.

21 PENSION SCHEMES

The College participates in two principal pension schemes for its staff – the Universities Superannuation Scheme (USS) and the University of Oxford Staff Pension Scheme (OSPS). The assets of each scheme are held in separate trustee-administered funds. USS and OSPS are contributory mixed benefit schemes (i.e. they provide benefits on a defined benefit basis – based on length of service and pensionable salary – and on a defined contribution basis – based on contributions into the scheme). Both are multi-employer schemes and the College is unable to identify its share of the underlying assets and liabilities relating to defined benefits of each scheme on a consistent and reasonable basis.

Therefore, in accordance with the accounting standard FRS 102 paragraph 28.11, the College accounts for the schemes as if they were defined contribution schemes. As a result, the amount charged to the income and Expenditure Account represents the contributions payable to the schemes in respect of the accounting period. In the event of the withdrawal of any of the participating employers in USS or OSPS, the amount of any pension funding shortfall (which cannot be otherwise recovered) in respect of that employer will be spread across the remaining participating employers and reflected in the next actuarial valuation of the scheme.

Actuarial valuations

Qualified actuaries periodically value USS and OSPS defined benefits using the 'projected unit method', embracing a market value approach. The resulting levels of contribution take account of actuarial surpluses or deficits in each scheme. The financial assumptions were derived from market conditions prevailing at the valuation date. The results of the latest actuarial valuations and the assumptions which have the most significant effect on the results were:

	USS	OSPS
Date of valuation:	31/03/20	31/03/2022
Date valuation results published:	30/09/31	27/06/2023
Value of liabilities:	£80.6bn	£914.3m
Value of assets:	£68.5bn	£981.2m
Funding surplus / (deficit):	(£14.1bn)	£46.9m
Principal assumptions:		
• Discount rate	Fixed interest gilt yield curve plus 1% - 2.75%	Gilt +0.5% - 2.25% b RPI Average RPI/CPI d
• Rate of increase in salaries	n/a	
• Rate of increase in pensions	CPI +0.05%e	
Assumed life expectancies on retirement at age 65:		
• Males currently aged 65	23.9 yrs.	
• Females currently aged 65	25.5 yrs.	
• Males currently aged 45	25.9 yrs.	
• Females currently aged 45	27.3 yrs.	
Post-retirement mortality – base table:		105% of standard SPPA medium tables
Post-retirement mortality – improvements:		CMI 2021 core projections (SK=7, A=0.5%) and long-term improvement of 1.5% pa
		105% 98% 62%
Funding Ratios:		
• Technical provisions basis	83%	
• Statutory Pension Protection Fund basis	64%	
• 'Buy-out' basis	51%	
Employer contribution rate (as % of pensionable salaries):	21.1% to 21.4 from 1 Oct 21%	16.5% (DB members) 10% to 14% (DC members)
Effective date of next valuation:	31/03/23	31/03/25

a. The discount rate (forward rates) for the USS valuation was:
Fixed interest gilt yield curve plus: Pre-retirement 2.75%, post-retirement 1.00%

b. The discount rate for the OSPS valuation was:
Pre-retirement: Equal to the UK nominal gilt curve at the valuation date plus 2.25% p.a. for calculations with effective dates up to and including 30 March 2023; and 1.75% p.a. for calculations with effective dates on or after 31 March 2023.
Post-retirement: Equal to the UK nominal gilt curve at the valuation date plus 0.5% p.a. at each term.

c. Pensions increases (CPI) for the USS valuation were:
Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.1% p.a. to 2030, reducing linearly by 0.1% p.a. to a long term difference of 0.1% p.a. from 2040.

d. Increases to pensions in payment for the OSPS valuation were:
RPI inflation is derived from the geometric difference between the UK nominal gilt curve and the UK index-linked curve at the valuation date, less 0.3% p.a. at each term. CPI inflation is derived from the RPI inflation assumption, less the Scheme Actuary's best estimate of the long-term difference between RPI and CPI inflation as applies from time to time (1.0% p.a. up to February 2030 and 0.1% p.a. thereafter as at 31 March 2022).
For pension increases linked to inflation, a pension increase curve is constructed based on either the RPI, CPI or the average of the RPI and CPI inflation curves described above, adjusted to allow for the different maximum and minimum annual increases that apply, and the Scheme Actuary's best estimate of inflation volatility as applies from time to time.

e. The USS and OSPS employer contribution rates include provisions for the cost of future accrual of defined benefits, deficit contributions, administrative expenses and defined contributions.

Sensitivity of actuarial valuation assumptions

Surpluses or deficits which arise at future valuations may impact on the company's future contribution commitment. The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Assumption	USS	
	Change in assumption	Impact on USS liabilities
Initial pre-retirement discount rate	increase by 0.25%	decrease by £1.3bn
Post-retirement discount rate	Decrease by 0.25%	Increase by £2.8bn
CPI	decrease by 0.1%	decrease by £1.5bn
Life expectancy	more prudent assumption (reduce the adjustment to the base mortality table by 5%)	increase by £1.2bn
Rate of mortality	more prudent assumption (Increase the annual mortality improvements long-term rates by 0.2%)	increase by £0.6bn

Assumption	OSP5	
	Change in assumption	Impact on OSP5 technical provisions
Valuation rate of interest	decrease by 0.25%	increase by £47m
RPI	increase by 0.25%	Increase by £37m

Deficit Recovery Plans

In line with FRS 102 paragraph 28.11A, the College has recognised a liability for the contributions payable for the agreed deficit funding plan. The principle assumptions used in these calculations are tabled below:

	2022/23		2021/22	
	OSP5	USS	OSP5	USS
Finish Date for Deficit Recovery Plan	30/01/28	31/03/38	30/01/28	31/03/28
Average staff number increase	0%	0%	0%	0%
Average staff salary increase	3%	3%	3%	3%
Average discount rate over period	5.49%	5.49%	3.19%	3.34%
Effect of 0.5% change in discount rate	£93	£73,530	£14,007	£94,459
Effect of 1% change in staff growth	£16	£116,062	£48,120	£211,027

A provision of £2.155 million has been made at 31 July 2023 (2022: £2.837 million) for the present value of the estimated future deficit funding element of the contributions payable under these agreements, using the assumptions shown. The provision reduces as the deficit is paid off according to the pension recovery scheme

Pension charge for the year

The pension charge recorded by the College during the accounting period (excluding pension finance costs) was equal to the contributions payable after allowance for the deficit recovery plan as follows:

Scheme	2022/23	2021/22
Universities Superannuation Scheme	571	544
University of Oxford Staff Pension Scheme	334	318
Other schemes – contributions	0	0
Total	905	862

22 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.

**23 RECONCILIATION OF NET INCOMING RESOURCES TO
NET CASH FLOW FROM OPERATIONS**

	2023 Group £'000	2022 Group £'000
Net income	(1,066)	(5,401)
Elimination of non-operating cash flows:		
Investment income	(3,722)	(4,159)
(Gains)/ Losses in investments	823	3,095
Endowment donations	-	-
Depreciation	1,266	1,275
(Surplus)/loss on sale of fixed assets	-	(23)
(Increase) / Decrease in stock	2	1
(Increase) / Decrease in debtors	(1,253)	(608)
Increase / (Decrease) in creditors	1,970	131
(Decrease)/Increase in provisions	-	-
Increase / (Decrease) in pension scheme liability	(682)	1,036
Coupon on Private Placement paid	966	966
Net cash used in operating activities	(1,696)	(3,687)

24 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2023 £'000	2022 £'000
Cash at bank and in hand	570	801
Total cash and cash equivalents	570	801

25 FINANCIAL COMMITMENTS

The totals of future minimum lease payments under non-cancellable operating leases for each of the following periods were:	2023 £'000	2022 £'000
Land and buildings		
Not later than one year	155	227
Later than one year and not later than five years	126	189
Later than five years	1	100
	282	516
Other		
Not later than one year	23	19
Later than one year and not later than five years	68	76
	91	95

26 CAPITAL COMMITMENTS

The College had no contracted commitments at 31 July 2023 for future capital projects (2022: £608k)

27 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.

	2023 £'000	2022 £'000
B Frellesvig	21	8
V Vyazovskiy	71	73
R Zubek	151	157
	243	238

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.

28 CONTINGENT LIABILITIES

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

29 POST BALANCE SHEET EVENTS

The statement of accounts was authorised for issue on 21 November 2023. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31st July 2023, the figures in the financial statements and notes have been adjusted in all material respects to reflect this information. There are no material non adjusting events to report

Accounts

Hertford College

Annual Report and Financial Statements

Year ended 31st July 2022

Hertford College
Annual Report and Financial Statements for the year ended 31st July 2022

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MEMBERS OF THE GOVERNING BODY

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

Governing Body Fellow	College Office	(1)	(2)	(3)	(4)	(5)
Professor E Baldwin						•
Professor H Bayley						
Professor R N E Barton						
Professor C D Brewer						
Professor E Chatzis						
Mr J K Clark	Bursar		•	•	•	•
Professor Z F Cui						
Professor F Duarte	Tutor for Equality & Diversity				•	•
Dr D Dwan					•	
Mr T Fletcher	Principal	•	•	•	•	•
Professor B M Frellesvig	Tutor for Graduates	•		•	•	
Dr A Galanis		•				•
Dr K Greasley		•				
Professor D Greaves						
Professor D M Hopkin						
Dr J Kiaer	Dean of Degrees					
Professor D Kielak						•
Professor A G Lauder						
Professor P Ligoxygakis	Student Conduct Officer					
Dr J Lorimer			•			
Dr K Lunn-Rockliffe	Prevent Lead					
Professor I McBride						
Professor M Maiden					•	
Dr L Malafouris					•	
Professor A Mikes			•			
Professor P J R Millican		•				
Dr A Nair	Harassment Advisor		•			
Dr S J New						
Dr O J Noble Wood	Dean and SCR Steward				•	•
Professor S Parameswaran		•				
Professor P F Roche	Investment Bursar		•	•	•	

Hertford College
Governing Body, Officers and Advisers
Year ended 31st July 2022

Governing Body Fellow	College Office	(1)	(2)	(3)	(4)	(5)
Dr F Romei					•	
Dr L Slater						
Dr C Sloan	Porter Fellow	•				
Professor E Smith	Fellow Librarian	•		•		
Dr L Speight						
Professor G Sternberg			•			
Professor D Thomas						
Professor C Vallance	Senior Tutor	•		•	•	
Dr C Veliz	Independent Prevent Monitor					
Dr Vyazovskiy	Dean of Degrees					
Professor T Wilson	Senior Fellow					
Professor M Wooldridge				•		
Professor A C S Woollard						
Ms F Wheare	Director of Development			•		
Professor R G Zubek						

During the year the activities of the Governing Body were carried out through various committees and Officers. Membership of the main committees 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 specific aspects of day to day management were delegated during the course of the year, and who are regarded as Key Management Personnel, was as follows.

College Accountant	<i>Mrs Judi Banks</i>
Domestic Bursar	<i>Mr James Hill</i>
Registrar and Director of Admissions	<i>Ms Lynn Featherstone</i>

COLLEGE ADVISERS

Investment managers

Rathbones Investment Management Ltd
8 Finsbury Circus
London
EC2M 7AZ

Oxford University Endowment Management
27 Park End Street
Oxford
OX1 1HU

Auditor

Crowe U.K. LLP
55 Ludgate Hill
London
EC4M 7JW

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, Cattle street, Oxford OX1 3BW

Website

www.hertford.ox.ac.uk

HERTFORD COLLEGE

Report of the Governing Body

Year ended 31 July 2022

REPORT OF THE GOVERNING BODY

The Members of the Governing Body present their Annual Report for the year ended 31st July 2022 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 4.

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.

Organisational management

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

HERTFORD COLLEGE

Report of the Governing Body

Year ended 31 July 2022

- 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, with the Principal and the Bursar in attendance. 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 Domestic Bursar. The Bursar attends all meetings of the Governing Body's Committees, except Academic Committee.

Group structure and relationships

The College administers a number of special trusts, as detailed in Notes 17 and 18 to the financial statements.

The College has two wholly-owned non-charitable subsidiaries. Hertford College Programmes started trading on 1st August 2010, and its activities primarily comprise conferences and English Language programmes which use the College's facilities when not in use by the College. Annual profits are donated to the College under the Gift Aid Scheme. Hertford College Design and Build started trading on 13th March 2020, and its activities comprise designing, commissioning and constructing new estates facilities for the College. Annual profits are donated to the College under the Gift Aid Scheme.

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.

The aims of the College's subsidiaries are to help to fund, or otherwise support, the achievement of the College's aims as above.

HERTFORD COLLEGE

Report of the Governing Body

Year ended 31 July 2022

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. During the year, the College had approximately 452 undergraduates, 347 postgraduates, and 38 fellows who have contractual obligations to teach as well as 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. 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 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 (and the EU in some circumstances) 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. In 2021/22 a total of £815k was allocated to student support, an increase of 20% on the previous year.

- **Oxford Bursaries** are available to UK undergraduates from households assessed as having a sufficiently low income. In the 2021/22 year, 80 of the College's undergraduates received an Oxford Bursary funded jointly by the University and the College, with a total value of £336k.
- In 2011/12 the College introduced a means-tested **Hertford Undergraduate Bursary** of £1,000, for UK undergraduates. This bursary was extended to EU students in 2012/13. In 2021/22, 132 Hertford students were awarded the Hertford Undergraduate Bursary.
- **Graduate funding** is also provided in the form of scholarships and grants. The College awarded a total of £259k in 2021/22 for this purpose.
- The College also offers **Student Support** in the form of grants to both undergraduate and graduate students who experience unexpected financial hardship, for academic related travel, or as rent subsidies. In 2021/22 the College distributed £183k to support students in this way.

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ACADEMIC REVIEW

Whilst no new tutorial fellows joined the college in 2021-22, we welcomed a Departmental Lecturer, who is providing college teaching and pastoral cover as replacement for one of our tutorial fellows, who was granted a prestigious research grant spanning a four-year period.

As highlighted in previous reviews, a significant amount of teaching within the College is supplied by stipendiary lecturers, who do not hold a fellowship or a joint appointment with the University. We welcomed eighteen new lecturers and teaching assistants to the college in 2021-22. We continued our efforts to integrate and support this cohort of new members of teaching staff; we ran our comprehensive induction programme for new fellows and lecturers over two days in September and October, and the termly tutors' meetings covered a broad range of topics including in-person teaching arrangements as we moved out of pandemic arrangements, preparation for online undergraduate admissions interviews, college welfare provision and support, and the college's academic accountability process.

Following the UCAS Confirmation cycle in August 2021, we welcomed a slightly smaller (in comparison to the largest ever cohort in 2020) undergraduate fresher cohort, of 123, in October 2021. 92% of the group are UK students, of which 79% are from state schools and 51% from disadvantaged backgrounds (as determined by socio-economic and/or educational information).

In the 2021-22 academic year, we saw a reintroduction of pre-pandemic teaching arrangements, with most teaching taking place in person, but some hybrid or online arrangements remaining, or being put, in place where required. We continued to offer measures that were implemented during the pandemic, including the provision of tablets to undergraduate freshers as required. The College's Porter Fellow in academic skills, Dr Catherine Sloan, resumed face to face provision of the well-established programme of workshops and one-to-one meetings, whilst continuing to provide online resources and materials. The College's librarian Alice Roques also continued to offer a wealth of support to the undergraduate students, including assisting in locating online resources, and providing click and collect, and/or postal services.

Exams and assessments were undertaken in a combination of online and in-person formats. Whilst the Norrington Table, which compares undergraduate Finals results by college, has not yet been published, within college, 56 students retained their academic scholarship and 51 students were promoted to a scholarship over the course of the year following first class performance in university examinations or college collections. Prizes were awarded to 41 students delivering outstanding performance in final exams. Seven students won prizes from the University's faculties and departments against stiff competition from other colleges.

We have continued to run an extensive outreach programme, engaging primarily with schools and students in our link regions of Camden, Essex (including Southend-on-Sea and Thurrock), Medway and Peterborough. Outreach activities have largely returned to in-person formats this year, with online activities complementing the in-person provision.

Now in its fourth year, our Unsung Heroes of Science video competition continues to attract great interest. This year we received a record 74 entries and shortlisted 22, which were watched on YouTube more than 12,000 times. The competition prizes were again provided by the Royal Institution, which we hope to work with on the competition again in the future.

Once again, we ran our Swiftstream programme with sixth-formers from Medway. The programme consisted of a series of webinars and interactive online workshops, and this year culminated in a residential programme. For the second year running, we delivered the Next Steps Essex programme, a series of information, advice, and guidance webinars organised jointly with Emmanuel College, Cambridge. Our STEM Outreach Officer also instigated the Code Club, a pilot programme of weekly workshops aimed at giving students from some of Oxford's most disadvantaged areas the skills they need to enter digital careers. We continued our participation in Teacher Forums organised with our Oxford for East England consortium partners, and also in Springboard, another consortium activity which engaged graduate students to create an online repository of stretching super-curricular videos.

The University open days reverted to taking place in person in the 2021-22 academic year. With the support of our 23 undergraduate ambassadors, the college welcomed over 1,500 visitors across the two

HERTFORD COLLEGE

Report of the Governing Body

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days in June/July. The online material and content developed in 2020 and 2021 also remained available on our website, for those unable to come to Oxford. Four Tanner Prizes were awarded to the most active undergraduate student ambassadors in recognition of their hard work and dedication throughout the year.

The most powerful demonstration of our access work is admissions. The College received 965 applications, of which 876 were direct applications to Hertford in October 2021. While this is a 2.7% decrease on 2020, Hertford remained in the top 10 most popular colleges for applicants.

We once again participated in the University's 'Opportunity Oxford' scheme for students from disadvantaged backgrounds, making four offers under the scheme. We continued to provide offer-holder support, including enhanced communications, electronic reading lists, and college tours at key moments during the period between offer-making in January 2022 and the students' arrival in October 2022. Unfortunately, the planned Fresher Welcome Day had to be cancelled due to the unanticipated rail strikes.

FINANCIAL REVIEW

The Financial Statements for 2021/22 follow the requirements of FRS102.

Income during the year was improved through the return of residential income to pre-pandemic levels (+ 56%), and higher investment income (+ 68%). There was a return of some trading income, although at only £385k this represents only around 13% of pre-pandemic highs. Excluding the property revaluation benefit from 20/21, total income was some 37% higher.

Broader economic factors started to drive substantial increases in non-staff operating expenses, particularly in some categories. Utility costs for example, were more than twice the level in the preceding year, a rise of some £300k. The single largest factor is the non-cash transaction representing movements in pension liabilities, and recorded in the Pension Reserve. At an increase of provisions circa £1.036m, this was an adverse swing of £1.67m year on year, and accounts for approximately 2/3 of the expenditure increase for charitable activities. Trading expenditure increased, with the return of operations in that area, and investment management costs reflect the full year costs of servicing the new bond taken out during the previous financial year. Excluding the pension related adjustment, core operating expenditure increased by around 11%.

Excluding the movement in provisions, and adjusting for the Total Return income policy applicable to Endowment funds, the operating deficit for the year was £791k, reflected the continued absence of the College's usual conference income. Pre-pandemic, the latter generated a net surplus of around £1.5m annually. Net operating cash flow was approximately neutral (£12k surplus).

The College's investment holdings saw a decline in value of around £3.2m, compared to the gain of £13.2m in the prior year. Values have been recovering since the year end.

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 £10.460m, representing retained unrestricted income reserves, excluding an amount of £13.599m for the book value of fixed assets and the reserve against future Pension Deficits required by the implementation of FRS102 (£2.837m). 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 £92.978m (2021: £97.6m). This includes endowment capital of £68.3m, designated funds of £1.124m and unspent restricted income funds totalling £3.439m.

The Fellows have assessed the College's ability to continue as a going concern. The Fellows have

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considered several factors when forming their conclusion as to whether the use of the going concern basis is appropriate when preparing these financial statements, including a review of updated forecasts, and a consideration of key risks, including any continuing impacts of Covid 19. The latter are now mostly felt in relation to depressed trading income, which has been slow to recover. The College has a large endowment, and financial performance continues to be monitored regularly. The Fellows have scrutinised the key assumptions within the financial budget and forecast, and are satisfied that the current level of free reserves, available investment and cash balances are adequate to meet the College's obligations as they fall due. Having regards to the above, the Fellows are satisfied that there are no material uncertainties around the decision to adopt the going concern basis of accounting in preparing these financial statements.

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. The College identifies and regularly 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.

Principal risks are assessed by the Treasury Committee, and more detailed risks by other committees (e.g. Health and Safety Committee), College Officers and Heads of Department. 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 subsidiaries include:

- 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:

- Operating structured and formalised processes for the identification, assessment, and management of the response to risk.
- Establishing the appropriate committees to ensure oversight of all key activities, with responsibility 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,

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Year ended 31 July 2022

including, for example, admissions policy, health & safety policy, and information security policy;

- Ensuring the appropriate insurance policies are in place, and reviewed regularly.

Fundraising

2021-22 saw a decrease in Hertford's philanthropic income, with £797,186 in received donations. Looking ahead, we have c.£25,222,000 in pledged support from major gifts, mainly comprising a single pledge of £25m, to be fulfilled over the next three to five years. Additionally, we expect to receive c.£250k per annum in lower-level regular gifts over a similar timescale. Over 1,000 donors (1,012) made a gift to Hertford this year for the first time. This increase is largely due to holding both a telethon and a Giving Day in a single year, both of which targeted first time donors.

This year saw our lowest legacy income for five years, with just under £75,000 received in legacies from four alumni. Donations continued to be directed to a range of projects, with the Library redevelopment, student support and the unrestricted fund attracting the most donations.

For the most part, we were able to return to a full programme of in-person events. Hundreds of alumni returned to Hertford for gaudies and other events, and our donor stewardship events were also well attended. The Director of Development travelled to the East and West Coasts of the US, accompanied by the Fellow Librarian and Pro Principal. This was an opportunity to re-establish contact with alumni in the region after a period of limited or no international travel.

Our fundraising campaign for the extended and refurbished library, which has a minimum target of £8m, was publicly announced at the annual John Donne Lecture and Dinner in April 2022, resulting in several donations. This campaign will be the main focus of our fundraising in the coming months and years, although not at the expense of existing activity.

We held our first Giving Day in June this year: 36 hours of concentrated fundraising activity, primarily through digital means. Seven targeted emails were sent to alumni during the period, encouraging donations to student support, college life and the library campaign. At the same time, we held several community events in college aimed at students, staff, and Fellows.

Social media engagement remained strong, and our existing publications (the Magazine and Donor Report) were supplemented by the Hertford Bookshelf podcast, which featured interviews between Professor Emma Smith and six alumni authors. The Bridge Blog has proved to be a popular way for alumni to share their news and achievements.

Hertford College is committed to best practice in relation to all fundraising activities. The in-house Development team coordinate fundraising activities and are subject to the scrutiny of the Development Committee and college Governing Body, on which the Development Director sits. Hertford is registered with the Fundraising regulator and has protocols and procedures in place to ensure that fundraising is open, honest and respectful, and adheres to legal and industry-specific guidelines. Hertford does not engage any professional third parties to carry out fundraising activities on its behalf.

Investment policy, objectives and performance

The College's Statement of Investment Principles sets out the following aims:

- 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 £111.4m (2021 £115.7m), of which £62.465m represents endowed or restricted funds. The total

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investment income was c. 3.7% gross (average value).

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

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

To meet these objectives the College's investments of its permanent endowed funds are managed on a total return basis, maintaining diversification across a range of asset classes in order to produce an appropriate balance between risk and return. In line with this approach, the College statutes allow the College to invest permanent endowments to maximise the related total return and to make available for expenditure each year an appropriate proportion of the unapplied total return. The value date for establishing the initial values of the Investment Fund and the Unapplied Total Return was 31st July 2009.

The investment strategy, policy and performance is monitored by the Investment Committee. At the year end, the College's long term investments (permanent endowment only), combining securities and property investments, totalled £68.3m. Direct income earned on these investments amounted to £2.39m, and net value losses were £1.94m.

Under the total return accounting basis, it is the Governing Body's policy to extract as income 4.25% of the value of the relevant investments. However, to smooth and moderate, the amounts withdrawn are calculated on the average of the year end values in each of the last five years. Due to fluctuating investment values over the previous five years, the effective amounts withdrawn are currently may vary from the nominal rate. For the year ending July 31st 2022, an amount of £2.8m was withdrawn as income. The College also operates a policy of applying an amount of the UTR to the Investment Fund to preserve its real value. This is set based on the most recent RPI at the balance sheet date. For the year ending July 31st 2022, £6.3m was transferred, representing 12.3% of the Investment Fund value. The Governing Body will keep the level of income withdrawn under review to balance the needs and interests of current and future beneficiaries of the College's activities.

The Governing body is satisfied that the overall performance of investment activities for the year has met the objectives set.

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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 improved study space), 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.

A number of the projects under this strategy have been completed, and more are underway. The Library project has secured planning approval, and is due to start build work in the summer of 2023. An application in respect of new graduate accommodation is due to be submitted in the Autumn of 2022.

With the expectation of major capital expenditure in the next 5 years, during a period of challenging economic pressures, it will be more important than ever to ensure that operational expenditure is optimised. The college operations budget allocations will be reviewed to ensure that costs are under control and that the projects are affordable.

STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES

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

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

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

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

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

Approved by the Governing Body on the 23rd of November 2022 and signed on its behalf by:



Mr J Clark

Bursar

HERTFORD COLLEGE
Report of the Auditors
Year ended 31 July 2022

Independent Auditor's Report to the Trustees of Hertford College

Opinion

We have audited the financial statements of Hertford College for the year ended 31 July 2022 which comprise the Consolidated Statement of Financial Activities, Consolidated and College Balance Sheets, Consolidated Statement of Cash Flows and notes to the financial statements, including 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 the parent charity's affairs as at 31 July 2022 and of the group's income and receipts of endowments 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

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

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Report of the Auditors

Year ended 31 July 2022

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 requires 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 and proper 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, 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 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 of the Charities Act 2011, and report in accordance with the Acts 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the parent charity and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were taxation legislation, the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the parent charity's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the parent charity and the group for fraud. The other laws and regulations we

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Report of the Auditors

Year ended 31 July 2022

considered in this context for the group were General Data Protection Regulations and Health and Safety regulations.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the recognition of income, and the override of controls by management. Our audit procedures to respond to risk of income recognition included selecting a sample of income during the year, agreeing back to the relevant documentation and ensuring it has been recognised correctly. Our audit procedures to respond to the risk of management override included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

Date: 30th November 2022

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.

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 subsidiaries Hertford Programmes Limited and Hertford College Design and Build Limited. The subsidiaries have been consolidated from the date of their formation, being the date from which the College has exercised control through voting rights in the subsidiaries. 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 with reference to the latest scheme valuation.

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.

HERTFORD COLLEGE

Statement of Accounting Policies

Year ended 31 July 2022

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.

Total Return accounting principles have been adopted in relation to investments held as part of the permanent endowment.

The carrying value of the trust for investment (the preserved permanent capital) has been taken as the market value of the relevant investments as at 31st July 2009, together with the original gift value of all subsequent endowments received and transfers from the unapplied total return approved by the Governing Body to increase the value of the trust for investment in line with the RPI index. The balance of the investment unapplied total returns is accumulated as a component of the relevant endowment funds with amounts from this being released to income each year at the discretion of the Governing Body.

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).

HERTFORD COLLEGE

Statement of Accounting Policies

Year ended 31 July 2022

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

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 -50 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.

HERTFORD COLLEGE

Statement of Accounting Policies

Year ended 31 July 2022

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

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 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 subsidiaries 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.

HERTFORD COLLEGE

Statement of Accounting Policies

Year ended 31 July 2022

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 the 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
Statement of Accounting Policies
Year ended 31 July 2022

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Hertford College
Consolidated Statement of Financial Activities
For the year ended 31 July 2022

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2022 Total £'000	2021 Total £'000
INCOME AND ENDOWMENTS FROM:						
Charitable activities:	1					
Teaching, research and residential		6,527	-	224	6,751	4,995
Other Trading Income	3	385	-	-	385	-
Donations and legacies	2	241	559	-	800	1,385
Investments						
Investment income	4	1,610	149	2,397	4,156	2,461
Total return allocated to income	17	2,435	361	(2,796)	-	-
Other income	5	46	-	-	46	7,604
Total income		11,244	1,069	(175)	12,138	16,445
EXPENDITURE ON:						
	6					
Charitable activities:						
Teaching, research and residential		11,710	339	50	12,099	9,470
Generating funds:						
Fundraising		457	-	-	457	620
Trading expenditure		798	-	-	798	342
Investment management costs		937	12	141	1,090	821
Total Expenditure		13,902	351	191	14,444	11,253
Net Income/(Expenditure) before gains / (losses)		(2,658)	718	(366)	(2,306)	5,192
Net gains/(losses) on investments	12	(1,048)	(107)	(1,940)	(3,095)	13,298
Net Income/(Expenditure)		(3,706)	611	(2,306)	(5,401)	18,490
Transfers between funds	17	1,124	(1,077)	(47)	-	-
Other recognised gains/losses						
Gains/(losses) on revaluation of fixed assets		-	-	-	-	-
Actuarial gains/(losses) on defined benefit pension schemes		-	-	-	-	-
Net movement in funds for the year		(2,582)	(466)	(2,353)	(5,401)	18,490
Fund balances brought forward	17	21,862	5,853	70,664	98,379	79,183
Prior year fund adjustment		1,948	(1,948)			
Funds carried forward at 31 July		21,228	3,439	68,311	92,978	97,673

Hertford College
Consolidated Statement of Financial Activities
For the year ended 31 July 2021

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2021 Total £'000
INCOME AND ENDOWMENTS FROM:				
Charitable activities:				
Teaching, research and residential	4,976	10	9	4,995
Other Trading Income	-	-	-	-
Donations and legacies	1,022	363	-	1,385
Investments				
Investment income	607	123	1,731	2,461
Total return allocated to income	2,793	412	(3,205)	-
Other income	7,604	-	-	7,604
Total income	17,002	908	(1,465)	16,445
EXPENDITURE ON:				
Charitable activities:				
Teaching, research and residential	9,310	160	-	9,470
Generating funds:				
Fundraising	620	-	-	620
Trading expenditure	342	-	-	342
Investment management costs	677	9	133	819
Total Expenditure	10,949	169	133	11,251
Net Income/(Expenditure) before gains	6,053	739	(1,598)	5,194
Net gains/(losses) on investments	730	827	11,741	13,298
Net Income/(Expenditure)	6,783	1,566	10,143	18,492
Transfers between funds	-	31	(31)	-
Net movement in funds for the year	6,783	1,597	10,112	18,492
Fund balances brought forward	14,375	4,256	60,552	79,183
Funds carried forward at 31 July	21,158	5,853	70,664	97,675

Hertford College
Consolidated and College Balance Sheets
As at 31 July 2022

	Notes	2022 Group £'000	2021 Group £'000	2022 College £'000	2021 College £'000
FIXED ASSETS					
Tangible assets	10	13,599	14,347	13,599	14,347
Property investments	11	9,389	7,952	9,389	7,952
Other Investments	12	111,441	115,705	111,441	115,705
Total Fixed Assets		134,429	138,004	134,429	138,004
CURRENT ASSETS					
Stocks		20	21	20	21
Debtors	14	2,092	1,484	3,302	1,971
Cash at bank and in hand		801	1,364	211	1,213
Total Current Assets		2,913	2,869	3,533	3,205
LIABILITIES					
Creditors: Amounts falling due within one year	15	(1,527)	(1,396)	(1,201)	(1,388)
NET CURRENT ASSETS		1,386	1,473	2,332	1,817
TOTAL ASSETS LESS CURRENT LIABILITIES		135,815	139,477	136,761	139,821
CREDITORS: falling due after more than one year	16	(40,000)	(40,000)	(40,000)	(40,000)
NET ASSETS BEFORE PENSION ASSET OR LIABILITY		95,815	99,477	96,761	99,821
Defined benefit pension scheme liability	21	(2,837)	(1,801)	(2,837)	(1,801)
TOTAL NET ASSETS		92,978	97,676	93,924	98,020
FUNDS OF THE COLLEGE					
Endowment funds		68,311	70,664	68,311	70,664
Restricted funds		3,439	5,853	3,439	5,853
Unrestricted funds					
Designated funds		14,723	14,846	15,670	15,190
General funds		9,341	8,114	9,341	8,114
Revaluation reserve					
Pension reserve	21	(2,837)	(1,801)	(2,837)	(1,801)
		92,978	97,676	93,924	98,020

The financial statements were approved and authorised for issue by the Governing Body of Hertford College on 23rd November 2022

Trustee:



Trustee:



Hertford College
Consolidated Statement of Cash Flows
For the year ended 31 July 2022

	Notes	2022 £'000	2021 £'000
Net cash provided by (used in) operating activities	23	(3,687)	3,443
Cash flows from investing activities			
Dividends, interest and rents from investments		4,155	2,460
Proceeds from the sale of property, plant and equipment		200	217
Purchase of property, plant and equipment		(2,604)	(2,921)
Proceeds from sale of investments		3,171	11,169
Purchase of investments		(832)	(34,010)
Net cash provided by (used in) investing activities		4,090	(23,085)
Cash flows from financing activities			
Coupon on Private Placement Paid		(966)	(504)
Cash inflows from new borrowing		-	20,000
Receipt of endowment		-	-
Net cash provided by (used in) financing activities		(966)	19,496
Change in cash and cash equivalents in the reporting period		(563)	(146)
Cash and cash equivalents at the beginning of the reporting period		1,364	1,508
Change in cash and cash equivalents in the reporting period		(563)	(144)
Cash and cash equivalents at the end of the reporting period	24	801	1,364

Hertford College
Notes to the financial statements
For the year ended 31 July 2022

1 INCOME FROM CHARITABLE ACTIVITIES

	2022 £'000	2021 £'000
Teaching, Research and Residential		
Unrestricted funds		
Tuition fees - UK and EU students	1,877	1,942
Tuition fees - Overseas students	1,120	973
Other fees	687	245
Other HEFCE support	224	125
Other academic income	30	71
College residential income	2,589	1,620
	<u>6,527</u>	<u>4,976</u>
Restricted funds		
College residential income	-	10
	<u>-</u>	<u>10</u>
Endowed funds		
College residential income	224	9
	<u>224</u>	<u>9</u>
Total Teaching, Research and Residential	<u>6,751</u>	<u>4,995</u>
	<u>-</u>	<u>-</u>

From 2021/22 fee income is generated at overseas rates for students from the EU

The above analysis includes £3221k received from Oxford University from publicly accountable funds under the CFF Scheme, net of College fees received directly (2021: £3,040k).

2 DONATIONS AND LEGACIES

	2022 £'000	2021 £'000
Donations and Legacies		
Unrestricted funds	241	1,022
Restricted funds	559	363
Endowed funds	-	-
	<u>800</u>	<u>1,385</u>

3 INCOME FROM OTHER TRADING ACTIVITIES

	2022 £'000	2021 £'000
Subsidiary company trading income	200	-
	<u>385</u>	<u>-</u>

Note 13

4 INVESTMENT INCOME

	2022 £'000	2021 £'000
Unrestricted funds		
Commercial rent	24	18
Equity dividends	1,393	68
Income from fixed interest stocks	190	525
Interest on fixed term deposits and cash	-	(4)
Bank interest	2	-
	<u>1,610</u>	<u>607</u>
Restricted funds		
Equity dividends	132	91
Income from fixed interest stocks	17	32
	<u>149</u>	<u>123</u>
Endowed funds		
Equity dividends	2,124	1,270
Income from fixed interest stocks	273	461
	<u>2,397</u>	<u>1,731</u>
Total investment income	<u>4,156</u>	<u>2,461</u>

5 OTHER INCOME

Other income in 2020/21 included £6.95 million gain on the transfer of residential properties to investment holdings within the Endowment funds of the college.

Hertford College
Notes to the financial statements
For the year ended 31 July 2022

6 ANALYSIS OF EXPENDITURE

	2022 £'000	2021 £'000
Charitable expenditure		
Direct staff costs allocated to:		
Teaching, research and residential	4,727	4,837
Other direct costs allocated to:		
Teaching, research and residential	3,498	2,368
Support and governance costs allocated to:		
Teaching, research and residential	3,874	2,265
Total charitable expenditure	12,099	9,470
Expenditure on raising funds		
Direct staff costs allocated to:		
Fundraising	223	313
Trading expenditure	144	-
Other direct costs allocated to:		
Fundraising	190	262
Trading expenditure	134	75
Support and governance costs allocated to:		
Fundraising	44	45
Trading expenditure	520	267
Investment management costs	937	821
Total expenditure on raising funds	2,192	1,783
Total expenditure	14,291	11,253

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 College Contribution payable of £39k (2021 - £20k).

7 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

	Generating Funds £'000	Teaching and Research £'000	2022 Total £'000
General administration	1,250	1,069	2,319
Human resources	-	57	57
IT	41	432	473
Depreciation	192	1,083	1,275
Loss/(profit) on fixed assets	-	(23)	(23)
Other finance charges	-	1,037	1,037
Governance costs	23	219	242
	1,506	3,874	5,380

	Generating Funds £'000	Teaching and Research £'000	2021 Total £'000
General administration	1,098	1,207	2,305
Human resources	-	59	59
IT	5	366	371
Depreciation	9	1,135	1,144
Loss/(profit) on fixed assets	-	(52)	(52)
Other finance charges	-	(629)	(629)
Governance costs	21	179	200
	1,133	2,265	3,398

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.

Hertford College
Notes to the financial statements
For the year ended 31 July 2022

	2022	2021
	£'000	£'000
Governance costs comprise:		
Auditor's remuneration - audit services	9	11
Auditor's remuneration - tax advisory services	12	9
Legal and other fees on constitutional matters	221	180
	242	200

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.

8 GRANTS AND AWARDS

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

	2022	2021
	£'000	£'000
Unrestricted funds		
Grants to individuals:		
Scholarships, prizes and grants	184	58
Bursaries and hardship awards	215	222
Grants to other institutions	-	-
Total unrestricted	399	280
Restricted funds		
Grants to individuals:		
Scholarships, prizes and grants	414	396
Bursaries and hardship awards	2	-
Total restricted	416	396
Total grants and awards	815	676

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

9 STAFF COSTS

The aggregate staff costs for the year were as follows.

	2022	2021
	£'000	£'000
Salaries and wages	5,149	5,119
Social security costs	318	358
Pension costs:		
Defined benefit schemes	1,895	248
	7,362	5,725

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

	2022	2021
Tuition and research	68	30
College residential	83	86
Fundraising	4	3
Support	35	35
Total	190	154

Hertford College
Notes to the financial statements
For the year ended 31 July 2022

The average number of employed College Trustees during the year was as follows.	2022	2021
University Lecturers	31	33
CUF Lecturers	6	6
Other teaching and research	4	1
Other	4	3
Total	45	43

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 £77k in 2021/22 (£44k in 2020/21). All redundancy costs are accounted for in the year in which the decision was made to terminate employment.

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:

	2022	2021
£60,001-£70,000	3	5
£70,001-£80,001	-	-
£80,001-£90,001	-	-
£90,001-£100,001	-	-
£100,001-£110,001	-	-

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

In defined benefits schemes	3	5
The College contributions to defined contribution pension schemes totalled (This comprises £871k contributions paid and a charge for increased pension provision liability of £1024k)	1,895	248

10 TANGIBLE FIXED ASSETS

Group	Freehold land and buildings £'000	Plant and machinery £'000	Total £'000
Cost			
At start of year	26,632	482	27,114
Additions	703	-	703
Transfers to Investment properties	-	-	-
Disposals	(200)	-	(200)
At end of year	27,135	482	27,617
Depreciation and impairment			
At start of year	12,399	368	12,767
Depreciation charge for the year	1,178	96	1,274
Transfers to Investment properties	-	-	-
Depreciation on disposals	(23)	-	(23)
At end of year	13,554	464	14,018
Net book value			
At end of year	13,581	18	13,599
At start of year	14,233	114	14,347

At 31st July 2022, £1.29m of the Net Book Value of Fixed Assets represented assets under construction (2021: £2.4m).

Hertford College
Notes to the financial statements
For the year ended 31 July 2022

College	Freehold land and buildings £'000	Plant and machinery £'000	Total £'000
Cost			
At start of year	26,632	482	27,114
Additions	703	-	703
Transfers to Investment properties	-	-	-
Disposals	(200)	-	(200)
At end of year	27,135	482	27,617
Depreciation and impairment			
At start of year	12,399	368	12,767
Charge for the year	1,178	96	1,274
Transfers to Investment properties	-	-	-
On disposals	(23)	-	(23)
Impairment	-	-	-
At end of year	13,554	464	14,018
Net book value			
At end of year	13,581	18	13,599
At start of year	14,233	114	14,347

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.

11 PROPERTY INVESTMENTS

Group	Other £'000	2022 Total £'000	2021 Total £'000
Valuation at start of year	7,952	7,952	929
Transfers	-	-	7,023
Revaluation gains/(losses) in the year	(464)	(464)	-
Additions and improvements at cost	1,901	1,901	-
Valuation at end of year	9,389	9,389	7,952
College			
Valuation at start of year	7,952	7,952	7,951
Transfers	-	-	-
Revaluation gains/(losses) in the year	(464)	(464)	-
Additions and improvements at cost	1,901	1,901	-
Valuation at end of year	9,389	9,389	7,951

12 SECURITIES AND OTHER INVESTMENTS

All investments are held at fair value.

	2022 £'000	2021 £'000
Group investments		
Valuation at start of year	116,500	86,514
New money invested	-	20,000
Amounts withdrawn	(4,000)	(11,000)
Reinvested income	1,740	7,062
Investment management fees	(168)	(169)
Increase / (Decrease) in value of investments	(2,631)	13,298
Group investments at end of year	111,441	115,705
Post year end adjustment	-	795
Revised brought forward investment balance	111,441	116,500
Investment in subsidiaries	-	-
College investments at end of year	111,441	115,705

Hertford College
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Group investments comprise:	Held in the UK £'000	2022 Total £'000	Held in the UK £'000	2021 Total £'000
Equity investments	22,652	22,652	24,270	24,270
Global multi-asset funds	24,948	24,948	24,839	24,839
Property funds	683	683	379	379
Fixed interest stocks	12,729	12,729	19,333	19,333
Alternative and other investments (OUEM)	43,956	43,956	45,315	45,315
Fixed term deposits and cash	6,473	6,473	969	969
Total group investments	111,441	111,441	115,105	115,105

13 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.

Hertford College Design and Build Limited (Company Registration Number 12517047), a company limited by guarantee, is a wholly owned subsidiary of the College. It commenced trading on 13th March 2020 and its activities comprise designing, commissioning and constructing new estates facilities for the College.

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

	2022 Hertford College Design and Build £'000	2022 Hertford College Programmes Ltd £'000	2021 Hertford College Design and Build £'000	2021 Hertford College Programmes £'000
Income	(185)	200	(248)	-
Expenditure	186	654	248	342
Donation to College under gift aid	1	-	-	-
Result for the year	2	853	-	342
Total assets	34	561	15	133
Total liabilities	(34)	(561)	(14)	(133)
Net funds at the end of year	-	-	1	-

There was no Gift Aided management charge paid by Hertford College Programmes to the College during 2021-22 (2021: £0k). At the year end, a balance of £489k was owed by Hertford College Programmes to Hertford College (2021: £484k was owed by Hertford College Programmes to Hertford College).

14 DEBTORS

	2022 Group £'000	2021 Group £'000	2022 College £'000	2021 College £'000
Amounts falling due within one year:				
Trade debtors	151	201	151	204
Amounts owed by College members	40	49	40	49
Amounts owed by Group undertakings	-	-	1,210	484
Loans repayable within one year	16	13	16	13
Prepayments and accrued income	1,885	1,221	1,885	1,221
	2,092	1,484	3,302	1,971

Hertford College
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15 CREDITORS: falling due within one year

	2022 Group £'000	2021 Group £'000	2022 College £'000	2021 College £'000
Trade creditors	524	309	496	309
Amounts owed to College Members	(17)	(131)	(17)	(131)
Taxation and social security	134	163	140	151
College contribution	(7)	(7)	(7)	(7)
Accruals and deferred income	649	399	345	403
Other creditors	244	663	244	663
	<u>1,527</u>	<u>1,396</u>	<u>1,201</u>	<u>1,388</u>

16 CREDITORS: falling due after more than one year

	2022 Group £'000	2021 Group £'000	2022 College £'000	2021 College £'000
Other creditors	40,000	40,000	40,000	40,000
	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>

Creditors fall due after more than one year comprise two bonds. The first was entered into in 2017/18, which has a fixed term of 30 years of which 26 remain, with a fixed coupon of 2.52%. These 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. The second bond was entered into during 2020/21 with a fixed term of 30 years and a fixed coupon of 2.31%. These funds will be used to support the significant capital investment in new facilities for the college. In a similar manner to the first bond, a portion of the proceeds has also been designated for long term investment to cover the repayment of the capital.

17 ANALYSIS OF MOVEMENTS ON FUNDS

During 2021-22, an exercise was carried out to attribute backdated expenditure and income to relevant funds. In the main part, the original transaction was allocated against unrestricted reserves whereas it should have been applied against a restricted fund. The resultant adjusted opening balances are:

	At 1 August 2021 £'000	Backdated expenditure and adjustments £'000	Revised Opening Balance £'000
College Endowment Fund	60,774		60,774
Drapers Fellowship Fund (Previously "Drapers Fund")	653		653
Mortimer May	1,050		1,050
E. M. Vaughan-Williams Trust	653		653
Michael Baring Travel Fund	98		98
Roger Van Noorden Economics Fund	653		653
Ellis-Barnard History Fellowship	1,643		1,643
Other Scholarship Funds	136		136
Student Support	788		788
Fellowship Fund	2,214		2,214
Drapers Scholarship Fund	689		689
Endowment Funds - Expendable			
Carreras Fellowship	651		651
Starun Fund	249		249
Armstrong-Macintyre-Markham	354		354
Law Student Support (Previously "BCL") Fund	59		59
Total Endowment Funds - College	70,664	0	70,664
Restricted Funds			
Undergraduate Bursaries	48		48
Carreras Fellowship	28		28
Drapers Fellowship	55		55
Drapers Scholarship	42		42
Mortimer May	310	(209)	101
E. M. Vaughan-Williams Trust	187		187
Janeway Restricted Fund	61		61
Unspent income of other Funds above	582	(414)	168
Other Funds	2,753	(412)	2,341
Matched Library	874		874
General Fellowships	913	(913)	0
Total Restricted Funds - College	5,853	(1,948)	3,905
Unrestricted Funds			
General	8,114	2,448	10,562
Undergraduate Bursaries	500	(500)	0
Fixed Asset designated	14,346		14,346
Pension Reserve	(1,801)		(1,801)
Total All funds	97,676	0	97,676

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17 ANALYSIS OF MOVEMENTS ON FUNDS CONT

	At 1 August 2021 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Total Return £'000	Gains/ (losses) £'000	At 31 July 2022 £'000
Endowment Funds - Permanent							
College Endowment Fund	60,774	2,253	(166)	-	(2,435)	(1,666)	58,760
Drapers Fellowship Fund (Previously "Drapers Fund")	653	24	(2)	-	(33)	(18)	624
Mortimer May	1,050	39	(3)	-	(42)	(29)	1,015
E. M. Vaughan-Williams Trust	653	24	(2)	-	(26)	(18)	631
Michael Baring Travel Fund	98	4	-	-	(4)	(3)	95
Roger Van Noorden Economics Fund	653	24	(2)	-	(26)	(18)	631
Ellis-Barnard History Fellowship	1,643	61	(4)	-	(66)	(45)	1,589
Other Scholarship Funds	136	5	-	-	(14)	(4)	123
Student Support	788	29	(2)	-	(33)	(22)	760
Fellowship Fund	2,214	82	(6)	-	(88)	(61)	2,140
Drapers Scholarship Fund	689	25	(2)	-	(28)	(19)	665
Endowment Funds - Expendable							
Carreras Fellowship	651	25	(1)	(25)	-	(18)	632
Starun Fund	249	10	-	(9)	-	(7)	243
Armstrong-Macintyre-Markham	354	1	-	(1)	-	(1)	353
Law Student Support (Previously "BCL") Fund	59	15	(1)	(14)	-	(11)	48
Total Endowment Funds - College	70,664	2,621	(191)	(49)	(2,796)	(1,940)	68,311
Restricted Funds							
Undergraduate Bursaries	48	16	-	-	-	(1)	63
Unspent income funds	-	-	-	-	-	-	-
Carreras Endowment	-	-	-	-	-	-	-
Carreras Fellowship	28	-	-	24	-	(1)	51
Drapers	-	-	-	-	-	-	-
Drapers Fellowship	55	2	-	-	33	(1)	89
Drapers Scholarship	42	30	12	-	28	(1)	111
Mortimer May	101	4	-	-	42	(3)	144
E. M. Vaughan-Williams Trust	187	8	(18)	-	26	(5)	198
Janeway Restricted Fund	61	2	(1)	-	-	(2)	60
Unspent income of other Funds above	168	12	(35)	24	110	(5)	274
Other Funds	2,341	-	(302)	(1,124)	33	(66)	882
Oxford Opportunity Bursary	-	-	-	-	-	-	-
Other funds expended in year	-	597	-	-	-	-	597
Matched Library	874	33	(2)	-	-	(24)	881
General Fellowships	-	-	-	-	89	-	89
Total Restricted Funds - College	3,905	704	(346)	(1,076)	361	(109)	3,439
Unrestricted Funds							
General	11,268	8,809	(13,907)	1,784	2,435	(1,048)	9,341
Fixed asset designated	14,346	-	-	(747)	-	-	13,599
Designated Library fund	-	-	-	1,124	-	-	1,124
Undergraduate Bursaries	-	-	-	-	-	-	-
Pension Reserve	(1,801)	-	-	(1,036)	-	-	(2,837)
Total Unrestricted Funds - College	23,813	8,809	(13,907)	1,125	2,435	(1,048)	21,227
Total Unrestricted Funds - Group	23,813	8,809	(13,907)	1,125	2,435	(1,048)	21,227
Total Funds	98,382	12,134	(14,444)	-	-	(3,097)	92,977

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	At 1 August 2020 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Total Return £'000	Gains/ (losses) £'000	At 31 July 2021 £'000
Endowment Funds - Permanent							
College Endowment Fund	52,096	1,487	(117)	-	(2,793)	10,101	60,774
Drapers Fellowship Fund (Previously "Drapers Fund")	559	17	(1)	-	(30)	108	653
Mortimer May	900	27	(2)	-	(49)	174	1,050
E. M. Vaughan-Williams Trust	559	17	(1)	-	(30)	108	653
Michael Baring Travel Fund	84	3	-	-	(5)	16	98
Roger Van Noorden Economics Fund	559	17	(1)	-	(30)	108	653
Ellis-Barnard History Fellowship	1,407	42	(3)	-	(76)	273	1,643
Other Scholarship Funds	135	4	-	-	(29)	26	136
Student Support	670	20	(1)	-	(31)	130	788
Fellowship Fund	1,895	57	(4)	-	(102)	368	2,214
Drapers Scholarship Fund	589	18	(1)	-	(31)	114	689
Endowment Funds - Expendable							
Carreras Fellowship	545	16	(1)	(15)	-	106	651
Starun Fund	208	6	-	(6)	-	41	249
Armstrong-Macintyre-Markham	349	1	-	(1)	-	5	354
Law Student Support (Previously "BCL") Fund	(3)	10	(1)	(9)	-	62	59
Total Endowment Funds - College	60,552	1,742	(133)	(31)	(3,206)	11,740	70,664
Restricted Funds							
Undergraduate Bursaries	23	21	-	-	-	4	48
Carreras Fellowship	11	-	-	15	-	2	28
Drapers Fellowship	20	1	-	-	30	4	55
Drapers Scholarship	4	30	(24)	-	31	1	42
Mortimer May	214	6	-	-	49	41	310
E. M. Vaughan-Williams Trust	134	4	(7)	-	30	26	187
Janeway Restricted Fund	26	51	(21)	-	-	5	61
Unspent income of other Funds above	338	24	(1)	15	140	66	582
Other Funds	2,108	319	(113)	-	31	408	2,753
Matched Library	715	22	(2)	-	-	139	874
General Fellowships	663	20	(1)	-	102	129	913
Total Restricted Funds - College	4,256	498	(169)	30	413	825	5,853
Unrestricted Funds							
General	3,498	14,209	(10,949)	(2,167)	2,793	730	8,114
Fixed asset designated	12,807	-	-	1,539	-	-	14,346
Undergraduate Bursaries	500	-	-	-	-	-	500
Pension Reserve	(2,430)	-	-	629	-	-	(1,801)
Total Unrestricted Funds - College	14,375	14,209	(10,949)	1	2,793	730	21,159
Total Unrestricted Funds - Group	14,375	14,209	(10,949)	1	2,793	730	21,162
Total Funds	79,183	16,449	(11,251)	-	-	13,295	97,679

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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.

Endowment Funds (continued)

	Unapplied total return £000	Permanent capital £000	Total endowment £000
Balance at 1 August 2021	17,805	51,542	69,347
Income and gains			
Investment income	2,571	-	2,571
Investment gains / (losses)	(1,907)	-	(1,907)
Total income and gains	664	0	664
Application of total return	(2,796)	-	(2,796)
Fees and transfers			
Investment management fees	(188)	-	(188)
RPI adjustment	(6,324)	6,324	-
Total fees and transfers	(6,512)	6,324	(188)
Net movement in year	(8,644)	6,324	(2,320)
Balance at 31st July 2022	9,161	57,866	67,027

The Trustees have adopted a duly authorised policy of total return accounting for the College investment returns with effect from 1 August 2019. The investment return to be applied as [income is calculated as 4.25% of the average of the year-end values of the relevant investments in each of the last 5 years (or the period since the original donation, if that is less than five years). The preserved (frozen) value of the invested endowment capital represents its open market value at 31st July 2009 together with all subsequent endowments valued at date of gift.

Endowment funds (continued)

	Trust for Investment 2021 £000	Unapplied total return 2021 £000	RPI Inflation 2022 £000	Income and gains £000	Application of total return 2022 £000	Total endowment 2022 £000	Unapplied total return 2022 £000
Funds							
Mortimer May	772	277	(95)	7	(42)	1,014	147
Drapers Fellowship Fund	484	168	(59)	4	(33)	623	80
E. M. Vaughan-Williams Trust	479	171	(59)	4	(26)	628	90
Michael Baring Travel Fund	72	26	(9)	1	(4)	95	14
Roger Van Noorden Economics Fund	545	105	(67)	4	(26)	628	16
Ellis-Barnard History Fellowship	1,366	277	(168)	11	(66)	1,588	54
Fellowship Fund	1,635	578	(201)	15	(89)	2,139	303
Matched Student Support	671	117	(83)	5	(33)	760	6
Drapers Scholarship Fund	587	100	(72)	5	(28)	664	5
College Endowment Fund	44,797	15,985	(5,510)	419	(2,435)	58,766	8,459
Scholarship Augmentation Fund	134	1	(1)	1	(14)	122	(13)
Funds total	51,542	17,805	(6,324)	476	(2,796)	67,027	9,161

18 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.
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.
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, Meeks, Scholarship Augmentation 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.
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 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
Law student support (previously known as 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 Stubley, 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
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.

The Trustees have adopted a duly authorised policy of total return accounting for the College investment returns with effect from 1 August 2019. The investment return to be applied as income is calculated as 4.25% of the average of the year-end values of the relevant investments in each of the last 5 years (or whole years since the date of donation, where donations have been received within 5 years of the end of the year in question). The preserved (frozen) value of the invested endowment capital represents its open market value in 2009 together with all subsequent endowments valued at date of gift, inflated annually in line with RPI.

19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2022 Total £'000
Tangible fixed assets	13,599	-	-	13,599
Property investments	101	-	9,288	9,389
Other investments	48,981	3,439	59,021	111,441
Net current assets	1,386	-	-	1,386
Long term liabilities	(40,000)	-	-	(40,000)
Pension Scheme Liability	(2,837)	-	-	(2,837)
	<u>21,228</u>	<u>3,439</u>	<u>68,311</u>	<u>92,978</u>

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2021 Total £'000
Tangible fixed assets	14,347	-	-	14,347
Property investments	-	-	7,951	7,951
Other investments	47,139	5,853	62,713	115,705
Net current assets	1,473	-	-	1,473
Long term liabilities	(40,000)	-	-	(40,000)
Pension Scheme Liability	(1,801)	-	-	(1,801)
	<u>21,158</u>	<u>5,853</u>	<u>70,664</u>	<u>97,675</u>

20 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. 34 trustees receive a housing allowance which which is disclosed within the salary figures below. 4 trustees live in a house owned jointly with the college. One such house was sold during the year, and one new properties were purchased.

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 £1,483,578 (2020-21 £1,508,274).

The total of pension contributions is £240,450 (2020-21 £241,996).

Remuneration paid to trustees

Range	2022		2021	
	Number of trustees	Gross remuneration, taxable benefits and pension contributions £	Number of trustees	Gross remuneration, taxable benefits and pension contributions £
£1,001-£2,000				
£2,001-£3,000				
£3,001-£4,000	1	3,289	1	3,461
£7,001-£8,000	1	4,113		
£8,001-£9,000	1	8,571		
£9,001-£10,000			1	9,209
£11,001-£12,000			1	11,867
£12,001-£13,000	2	25,542	2	24,501
£15,001 - £16,000			1	15,451
£17,001-£18,000			1	17,558
£19,001-£20,000			1	19,496
£21,001-£22,000	1	21,640	1	21,161
£22,001-£23,000	1	22,690	4	90,602
£23,001-£24,000	4	93,490	13	318,240
£24,001 -£25,000	16	397,779		
£25,001 -£26,000			1	25,298
£26,001-£27,000			1	26,023
£27,001 - £28,000	1	27,197		
£28,001-£29,000			1	28,404
£29,001 -£30,000			1	29,504
£30,001-£31,000	1	30,027		
£31,001-£32,000			1	31,692
£32,001-£33,000	1	32,436		
£33,001-£34,000			1	33,475
£34,001-£35,000	1	34,899		
£36,001-£37,000	1	36,568		
£40,001-£41,000	1	40,006		
£41,001-£42,000			1	41,145
£43,001-£44,000	1	43,326		
£50,001-£51,000			1	50,987
£51,001-£52,000	1	51,885		
£52,001-£53,000			1	52,674
£54,001-£55,000			1	54,811
£57,001-£58,000	1	57,088	2	115,056
£59,001-£60,000	1	59,822	1	59,008
£60,001- £61,000	1	60,054		
£61,001-£62,000	1	61,110		
£62,001 - £63,000			1	62,932
£65,001 - £66,000	1	65,025		
£71,001-£72,000			1	71,494
£84,001-£85,000			1	84,770
£86,000-£87,000	1	86,767		
£103,001-£104,000	1	103,178	1	103,997
£105,001 - £106,000			1	105,458
£117,001 - £118,000	1	117,076		
	43	1,483,578	44	1,508,274

5 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 (2020/21: £0).

See also note 28 Related Party Transactions

Key management remuneration

The total remuneration paid to key management was £236k (2021: £260k).

Key management are considered to be the College Accountant, the Domestic Bursar and the Registrar and Director of Admissions.

21 PENSION SCHEMES

The College participates in two principal pension schemes for its staff – the Universities Superannuation Scheme (USS) and the University of Oxford Staff Pension Scheme (OSPS). The assets of each scheme are held in separate trustee-administered funds. USS and OSPS are contributory mixed benefit schemes (i.e. they provide benefits on a defined benefit basis – based on length of service and pensionable salary – and on a defined contribution basis – based on contributions into the scheme). Both are multi-employer schemes and the College is unable to identify its share of the underlying assets and liabilities relating to defined benefits of each scheme on a consistent and reasonable basis.

Therefore, in accordance with the accounting standard FRS 102 paragraph 28.11, the College accounts for the schemes as if they were defined contribution schemes. As a result, the amount charged to the Income and Expenditure Account represents the contributions payable to the schemes in respect of the accounting period. In the event of the withdrawal of any of the participating employers in USS or OSPS, the amount of any pension funding shortfall (which cannot be otherwise recovered) in respect of that employer will be spread across the remaining participating employers and reflected in the next actuarial valuation of the scheme.

Actuarial valuations

Qualified actuaries periodically value USS and OSPS defined benefits using the 'projected unit method', embracing a market value approach. The resulting levels of contribution take account of actuarial surpluses or deficits in each scheme. The financial assumptions were derived from market conditions prevailing at the valuation date. The results of the latest actuarial valuations and the assumptions which have the most significant effect on the results were:

	USS	OSPS
Date of valuation:	31/03/20	31/03/19
Date valuation results published:	30/09/31	19/06/20
Value of liabilities:	£80.6bn	£848m
Value of assets:	£66.5bn	£735m
Funding surplus / (deficit):	(£14.1bn)	(£113m)
Principal assumptions:		
• Discount rate	Fixed Interest gilt yield curve plus 1% - 2.75%	Gilts +0.5% - 2.25% b RPI Average RPI/CPI d
• Rate of increase in salaries	n/a	
• Rate of increase in pensions	CPI +0.05% e	
Assumed life expectancies on retirement at age 65:		
• Males currently aged 65	23.9 yrs	21.7 yrs
• Females currently aged 65	25.3 yrs	24.4 yrs
• Males currently aged 45	25.9 yrs	23.0 yrs
• Females currently aged 45	27.3 yrs	25.8 yrs
Funding Ratios:		
• Technical provisions basis	83%	87%
• Statutory Pension Protection Fund basis	64%	74%
• 'Buy-out' basis	51%	60%
Employer contribution rate (as % of pensionable salaries):	21.1% to 21.4 from 1 Oct 21%	19%
Effective date of next valuation:	31/03/23	31/03/22

a. The discount rate (forward rates) for the USS valuation was:
Fixed interest gilt yield curve plus: Pre-retirement 2.75%, post-retirement 1.00%

b. The discount rate for the OSPS valuation was:
Pre-retirement: Equal to the UK nominal gilt curve at the valuation date plus 2.25% p.a. at each term.
Post-retirement: Equal to the UK nominal gilt curve at the valuation date plus 0.5% p.a. at each term.

Post-retirement: Equal to the UK nominal gilt curve at the valuation date plus 0.5% p.a. at each term.

c. Pensions increases (CPI) for the USS valuation were:
Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.1% p.a. to 2030, reducing linearly by 0.1% p.a. to a long term difference of 0.1% p.a. from 2040.

d. Increases to pensions in payment for the OSPS valuation were:
RPI inflation is derived from the geometric difference between the UK nominal gilt curve and the UK index-linked curve at the valuation date, less 0.3% p.a. at each term. CPI inflation is derived from the RPI inflation assumption, less the Scheme Actuary's best estimate of the long-term difference between RPI and CPI inflation as applies from time to time (1.0% p.a. as at 31 March 2019).
For pension increases linked to inflation, a pension increase curve is constructed based on either the RPI, CPI or the average of the RPI and CPI inflation curves described above, adjusted to allow for the different maximum and minimum annual increases that apply, and the Scheme Actuary's best estimate of inflation volatility as applies from time to time.

e. The USS and OSPS employer contribution rates include provisions for the cost of future accrual of defined benefits, deficit contributions, administrative expenses and defined contributions.

Sensitivity of actuarial valuation assumptions

Surpluses or deficits which arise at future valuations may impact on the company's future contribution commitment. The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Assumption	Change in assumption	Impact on USS liabilities
Initial pre-retirement discount rate	increase by 0.25%	decrease by £1.3bn
Post-retirement discount rate	Decrease by 0.25%	Increase by £2.6bn
CPI	decrease by 0.1%	decrease by £1.5bn
Life expectancy	more prudent assumption (reduce the adjustment to the base mortality table by 5%)	increase by £1.2bn
Rate of mortality	more prudent assumption (increase the annual mortality improvements long-term rates by 0.2%)	increase by £0.6bn

Assumption	Change in assumption	Impact on OSPS technical provisions
Valuation rate of interest	decrease by 0.25%	increase by £45m
RPI	increase by 0.25%	Increase by £40m

Deficit Recovery Plans

In line with FRS 102 paragraph 28.11A, the College has recognised a liability for the contributions payable for the agreed deficit funding plan. The principle assumptions used in these calculations are tabled below:

	2021/22		2020/21	
	OSPS	USS	OSPS	USS
Finish Date for Deficit Recovery Plan	30/01/28	31/03/38	30/01/28	31/03/28
Average staff number increase	0%	0%	0%	0%
Average staff salary increases	3%	3%	3%	3%
Average discount rate over period	3.19%	3.34%	0.69%	0.69%
Effect of 0.5% change in discount rate	£14,007	£84,458	£14,873	£21,478
Effect of 1% change in staff growth	£48,120	£211,027	£11,611	£43,548

A provision of £2.837million has been made at 31 July 2022 (2021: £1.8 million) for the present value of the estimated future deficit funding element of the contributions payable under these agreements, using the assumptions shown. The provision reduces as the deficit is paid off according to the pension recovery scheme

Pension charge for the year

The pension charge recorded by the College during the accounting period (excluding pension finance costs) was equal to the contributions payable after allowance for the deficit recovery plan as follows:

Scheme	2021/22	2020/21
Universities Superannuation Scheme	544	519
University of Oxford Staff Pension Scheme	318	361
Other schemes – contributions	0	0
Total	862	880

Hertford College
Notes to the financial statements
For the year ended 31 July 2022

22 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.

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

	2022	2021
	Group	Group
	£'000	£'000
Net income	(5,401)	18,490
Elimination of non-operating cash flows:		
Investment income	(4,159)	(2,461)
(Gains)/ Losses in investments	3,095	(13,298)
Endowment donations	-	-
Depreciation	1,275	1,144
(Surplus)/loss on sale of fixed assets	(23)	(52)
(Increase) / Decrease in stock	1	(10)
(Increase) / Decrease in debtors	(808)	(387)
Increase / (Decrease) in creditors	131	142
(Decrease)/Increase in provisions	-	-
Increase / (Decrease) in pension scheme liability	1,036	(629)
Coupon on Private Placement paid	966	504
Net cash used in operating activities	(3,687)	3,443

24 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2022	2021
	£'000	£'000
Cash at bank and in hand	801	1,364
Total cash and cash equivalents	801	1,364

25 FINANCIAL COMMITMENTS

The totals of future minimum lease payments under non-cancellable operating leases for each of the following periods were:

	2022	2021
	£'000	£'000
Land and buildings		
Not later than one year	227	335
Later than one year and not later than five years	189	396
Later than five years	100	-
	516	731
Other		
Not later than one year	19	17
Later than one year and not later than five years	76	56
	95	73

26 CAPITAL COMMITMENTS

The College had contracted commitments at 31 July 2022 for future capital projects totalling £608k (2021: £0k)

27 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.

	2022 £'000	2021 £'000
B Frøillesvig	8	11
V Vyazovskiy	73	-
R Zubek	157	163
G Wright and S Waddell	-	181
	238	355

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.

The joint equity share property belonging to G Wright and the college was sold during 2021-22. The joint equity share property belonging to V Vyazovskiy was purchased during 2021-22

28 CONTINGENT LIABILITIES

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

29 POST BALANCE SHEET EVENTS

The statement of accounts was authorised for issue on xx November 2022. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31st July 2022, the figures in the financial statements and notes have been adjusted in all material respects to reflect this information. There are no material non adjusting events to report

Accounts

Hertford College

Annual Report and Financial Statements

Year ended 31st July 2021

Hertford College
Annual Report and Financial Statements for the year ended 31st July 2021

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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	(1)	(2)	(3)	(4)	(5)
Professor L F Alday						
Professor E Baldwin	Tutor for Equality & Diversity					•
Professor H Bayley						
Professor R N E Barton						
Professor C D Brewer						
Professor E Chatzis						
Mr J K Clark	Bursar		•	•	•	•
Professor Z F Cui						
Professor F Duarte					•	
Dr D Dwan					•	
Mr T Fletcher	Principal	•	•	•	•	•
Professor B M Frellesvig	Tutor for Graduates	•		•	•	
Dr A Galanis		•				•
Dr K Greasley		•				
Professor D Greaves						
Professor D M Hopkin	Senior Tutor	•		•	•	
Dr J Kiaer						
Professor D Kielak						
Professor A G Lauder						
Professor P Ligoxygakis	Dean of Degrees				•	
Dr J Lorimer			•			
Dr K Lunn-Rockcliffe					•	
Professor I McBride						
Professor M Maiden						
Dr L Malafouris						
Professor A Mikes			•			
Professor P J R Millican		•				
Dr A Nair						•
Dr S J New	Student Conduct Officer					
Dr O J Noble Wood	Dean and SCR Steward				•	•
Professor S Parameswaran		•				

Hertford College
Governing Body, Officers and Advisers
Year ended 31st July 2021

Governing Body Fellow	College Officers	(1)	(2)	(3)	(4)	(5)
Professor P F Roche	Investment Bursar		•	•	•	
Dr F Romei						
Dr L Slater			•			
Dr C Sloan		•				
Professor E Smith	Fellow Librarian	•		•		
Professor G Sternberg						
Professor D Thomas						
Professor C Tyerman	Fellow Archivist			•		
Professor C Vallance				•		
Dr C Veliz						
Dr Vyazovskiy						
Professor T Wilson				•		
Professor M Wooldridge				•		
Professor A C S Woollard						
Ms F Wheare	Director of Development			•		
Professor G Wright			•			
Professor R G Zubek						

After the year end date, Prof Tyerman, and Prof Wright, have ceased to be members of Governing Body. Prof Alday ceased to be a member of Governing Body in November 2020.

During the year the activities of the Governing Body were carried out through various committees. Membership of the main committees 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 specific aspects of day to day management were delegated during the course of the year, and who are regarded as Key Management Personnel, was as follows.

Deputy Bursar and College Accountant	<i>Mr Graham May (to Aug 21)</i>
Domestic Bursar	<i>Mr Gareth Tebbutt (to Jul 21) Mr James Hill (from Jul 21)</i>
Registrar and Director of Admissions	<i>Ms Lynn Featherstone</i>

The Deputy Bursar role has been discontinued, and *Ms Judi Banks* has subsequently (post financial year end) been appointed to the role of College Accountant.

COLLEGE ADVISERS

Investment managers

Rathbones Investment Management Ltd
8 Finsbury Circus
London
EC2M 7AZ

Oxford University Endowment Management
27 Park End Street
Oxford
OX1 1HU

Auditor

Crowe U.K. LLP
55 Ludgate Hill
London
EC4M 7JW

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 2021

REPORT OF THE GOVERNING BODY

The Members of the Governing Body present their Annual Report for the year ended 31st July 2021 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 4.

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.

Organisational management

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

HERTFORD COLLEGE

Report of the Governing Body

Year ended 31 July 2021

- 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, with the Principal and the Bursar in attendance. 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 Domestic Bursar. The Bursar attends all meetings of the Governing Body's Committees, except Academic Committee.

Group structure and relationships

The College administers a number of special trusts, as detailed in Notes 17 and 18 to the financial statements.

The College has two wholly-owned non-charitable subsidiaries. Hertford College Programmes started trading on 1st August 2010, and its activities primarily comprise conferences and English Language programmes which use the College's facilities when not in use by the College. Annual profits are donated to the College under the Gift Aid Scheme. Hertford College Design and Build started trading on 13th March 2020, and its activities comprise designing, commissioning and constructing new estates facilities for the College. Hertford College Design and Build will be preparing its first set of accounts for the period to 31st July 2021. Annual profits are donated to the College under the Gift Aid Scheme.

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.

The aims of the College's subsidiaries are to help to fund, or otherwise support, the achievement of the College's aims as above.

HERTFORD COLLEGE

Report of the Governing Body

Year ended 31 July 2021

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 416 undergraduates, 336 postgraduates, and 36 fellows who have contractual obligations to teach as well as 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. 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 2020/21 year, 82 of the College's undergraduates received an Oxford Opportunity Bursary funded jointly by the University and the College, with a total value of £245k.
- In 2011/12 the College introduced a means-tested **Hertford Undergraduate Bursary** of £1,000, for undergraduates. This bursary was extended to EU students in 2012/13. In 2020/21, 115 Hertford students were awarded the Hertford Undergraduate Bursary.
- **Graduate funding** is also provided in the form of scholarships and grants. The College awarded a total of £308k in 2020/21 for this purpose.
- The College also offers **Student Support** in the form of grants to both undergraduate and graduate students who experience unexpected financial hardship, for academic related travel, or as rent subsidies. In 2020/21 the College distributed £153k to support students in this way.

HERTFORD COLLEGE

Report of the Governing Body

Year ended 31 July 2021

ACADEMIC REVIEW

We welcomed five new fellows to the college in 2020-21: three of these were replacements (Maths, Economics, Medicine), however the second Philosophy fellow and the second Archaeology fellow are additions to strengthen our provision, in line with the current academic strategy. This means that, in the last four years, sixteen new joint appointments have been added to the College's Governing Body. Of those sixteen, ten are women, which has made a significant alteration to the profile of the College. Having more fellows provides greater strength in depth not only to meet our teaching commitments but also to oversee and administer all the other activities of the College. Given the challenges of the pandemic, this greater resilience has been welcomed.

As highlighted in previous reviews, 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. We welcomed twelve new lecturers and teaching assistants to the college in 2020-21. We continued our efforts to integrate and support this cohort more fully this last year; we ran our comprehensive induction programme for fellows and lecturers over two days in September, and the termly tutors' meetings for teaching staff focussed on sharing experiences of remote teaching and preparations for online exams. In such an unusual year, we made space for looking to the future: we ran extensive consultation amongst academic staff for the Hertford 2030 strategy, a key aspiration of which is to explore ways of supporting academic careers, in particular in relation to research.

Following the UCAS Confirmation cycle in August 2020, we welcomed the largest ever undergraduate fresher cohort, of 133, in October 2020. 85% of the group are UK students, of which 81% from state schools and 60% from disadvantaged backgrounds (as determined by socio-economic and/or educational information).

The pandemic continued to affect all aspects of the College's academic provision. At the start of the year, we quickly recognised the reliance which continued remote study placed on IT provision, and the College purchased supplementary tablet devices to loan to students and academic staff for effective remote teaching, especially for subjects involving a reader or screen sharing. The College's Porter Fellow in academic skills, Dr Catherine Sloan, continued to develop materials for remote study and teaching. She also supported students through the now well-established programme of workshops and one-to-one meetings. The College's librarian Alice Roques remained active finding online resources and helping students in other ways to find the material required for their studies.

Our students demonstrated hard work and tenacity in relation to examinations and assessments. Whilst the Norrington Table, which compares undergraduate Finals results by college, has not yet been published, within college, 57 students retained their academic scholarship and 52 students were promoted to a scholarship over the course of the year following first class performance in university examinations or college collections. Prizes were awarded to 46 students delivering outstanding performance in final exams. Fifteen students won prizes from the University's faculties and departments against stiff competition from other colleges.

We have continued to run an extensive outreach programme, engaging primarily with schools and students in our link regions of Camden, Essex (including Southend-on-Sea and Thurrock), Medway and Peterborough. The vast majority of outreach activities have been conducted online this year, with new programmes supplementing existing initiatives in light of the pandemic.

Now in its third year, our Unsung Heroes of Science video competition continues to attract great interest, especially from female students and those from BAME backgrounds. This year we received a record 70 entries and shortlisted 30, which were watched on YouTube more than 24,000 times. The competition prizes were provided by the Royal Institution, which we hope to work with on the competition again in the future.

Once again, we ran our Swiftstream programme of sustained webinars for students in Medway and hope to develop this in future with an in-person residential element. New online initiatives included Next Steps Essex, a series of information, advice and guidance webinars organised jointly with Emmanuel College, Cambridge; sustained Geography and Physics clubs which brought together prospective applicants with current students to develop their subject-specific skills and interests; Teacher Forums organised with our

HERTFORD COLLEGE

Report of the Governing Body

Year ended 31 July 2021

Oxford for East England consortium partners; and Springboard, another consortium activity which engaged graduate students to create an online repository of stretching super-curricular videos.

Our two outreach officers also participated in the co-ordination of University-wide remote interview workshops at the planning, delivery and evaluation phases. We organised three virtual open days, creating recorded content, hosting live-streamed events, and utilising student ambassadors in Q&A sessions and text-based chats. In 2020-21 we had 114 trained student ambassadors, representing around a quarter of the College's undergraduates. Six Tanner Prizes were awarded to the most active ambassadors in recognition of their hard work and dedication.

The most powerful demonstration of our access work is admissions. The College received 968 applications in October 2020, of which 900 were direct applications, a 38.2 per cent increase on 2019, and making Hertford the 8th most popular campus selection based on number of direct applicants. The latest University statistical release shows that we continue to be at the forefront of access in many respects – especially state school intake (74.8 per cent three-year rolling average).

Following the decision to move admissions interviews online for all shortlisted candidates in December 2020, we ran a series of briefing sessions with our admitting tutors, discussing practical arrangements and highlighting the need to take due consideration of the differential impact of the pandemic on students' learning and attainment. We participated in the University's 'Opportunity Oxford' scheme for students from disadvantaged backgrounds, making four offers under the scheme and a further 19 standard offers to students with the relevant eligibility. In response to the educational disruption and associated challenges of the pandemic, we once again put in place a programme of offer-holder support, including enhanced communications, webinars, study skills sessions, electronic reading lists, and college tours at key moments during the period between offer-making in January 2021 and the students' arrival in October 2021.

FINANCIAL REVIEW

The Financial Statements for 2020/21 follow the requirements of FRS102.

The impact of the COVID 19 Pandemic continued to be a significant factor. Reduced Visiting Student numbers, and another full term of non-residence for most undergraduates accounted for the majority of the drop of some £727k in teaching, research and residential income. There was no conference business income during the year (versus £2.2m YE July 2020). Investment income was down almost 15%, although at £2.46m was better than predicted. Donations and Legacies at £1.38m were at a similar level to the previous year, and again better than anticipated. The College continued to make use of the Coronavirus Job Retention Scheme at various points of the year, which provided a £655k positive contribution. Overall, income (before gains on disposal of £7m) was down a further £3.2m on the previous year. This was expected, as the full year impact of no conference income took full effect.

Expenditure was also significantly lower, with no direct costs for conference activity. Teaching costs were up, partly through an allocation of residual overheads not defrayed by conference trading, but mainly owing to the higher staff costs associated with the realisation of the planned Academic Strategy. Overall the net reduction in expenditure at £1.37m was some way short of the income loss, resulting in an overall net loss on core operations of approximately £1.8m. The net (negative) impact of COVID for the year is estimated to be around £2.9m.

By contrast, the year saw a significant recovery in the value of investments, with net gains of just over £13m, providing the majority of the net positive movement in funds for the year of some £11.7m.

The College continued to fund key capital investment projects, taking advantage of the reduced use of the estates to progress works ahead of schedule. The net cash demand of core operations and this capital investment amounted to around £6m, which was funded through available liquid investments.

The College issued a further private bond in the amount of £20m, to support future capital projects, with a term of 30 years, at a fixed coupon of 2.31% per annum. The funds received have been invested in OUEM funds pending drawdown for developments, at a current distribution rate of 4.25% per annum.

On the final balance sheet date the College revalued and transferred approximately £7m of residential properties to investment holdings, resulting in an equivalent increase in unrestricted funds.

HERTFORD COLLEGE
Report of the Governing Body
Year ended 31 July 2021

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 £8.113m, representing retained unrestricted income reserves, excluding an amount of £14.3m for the book value of fixed assets, the reserve against future Pension Deficits required by the implementation of FRS102 (£1.8m), 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 £97.6m (2020: £79.2m). This includes endowment capital of £70.7m, and unspent restricted income funds totalling £5.8m.

The Fellows have assessed the College's ability to continue as a going concern. The Fellows have considered several factors when forming their conclusion as to whether the use of the going concern basis is appropriate when preparing these financial statements, including a review of updated forecasts, and a consideration of key risks - including the impact of Covid 19 - that could impact the College, and the latest available management information. Covid 19 has had a significant impact on the College. Both the budget and forecast include additional costs and savings arising from our response to the pandemic and we have made prudent assumptions surrounding our income streams. The College has a large endowment, and financial performance continues to be monitored regularly. The Fellows have scrutinised the key assumptions within the financial budget and forecast, and are satisfied that the current level of free reserves, available investment and cash balances are adequate to meet the College's obligations as they fall due. Having regards to the above, the Fellows are satisfied that there are no material uncertainties around the decision to adopt the going concern basis of accounting in preparing these financial statements.

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. The College identifies and regularly 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.

Principal risks are assessed by the Treasury Committee, and more detailed risks by other committees (e.g. Health and Safety Committee), College Officers and Heads of Department. 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 include:

- 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

HERTFORD COLLEGE

Report of the Governing Body

Year ended 31 July 2021

requirements of particular activities such as fund-raising and information security.

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

- Operating structured and formalised processes for the identification, assessment, and management of the response to risk.
- Establishing the appropriate committees to ensure oversight of all key activities, with responsibility 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;
- Ensuring the appropriate insurance policies are in place, and reviewed regularly.

In light of the COVID pandemic, the College has developed and operates a COVID Response Framework, based on detailed risk assessment of all operations and activities in the context of COVID transmission and mitigation. This framework is administered by a dedicated COVID group, appointed by Governing Body.

Fundraising

In the 2020-21 financial year, Hertford College exceeded its £1m target for cash received, for the fourth year. In total, £1.406m was received, with a further £977k pledged over the next five years. Our donor numbers increased by 100 this year to 906 (from 805 in 2019-20), and the number of donors committing to a regular monthly gift continued to arise. The rise in donor numbers is attributable to having held a tel-ethon during this financial year, as well as a small email fundraising campaign that attracted almost exclusively new donors.

2020-21 was the most successful year to date for legacies, with £784k received. The majority of this total came from two alumni for whom Hertford was the sole beneficiary of their estates. Beyond this, donors continued to support a range of projects, including capital projects, teaching and research, scholarships, bursaries, and outreach activities. Our unrestricted fund continues to receive the most donations during the year.

The ongoing COVID-19 pandemic meant that all alumni relations events took place online. We held networking events organised by subject and geographic location, as well as strategy briefing sessions. We also organised several events aimed at students in which alumni were able to share their experiences and offer practical advice for the future.

We have maintained the level of engagement on social media through targeted campaigns, and our e-bulletins continue to have an open rate of around 45%. This year, we took the decision to move The Bridge, which features news, experience and research by Fellows and alumni, to an online format by default, and from early 2022 this will now be available as a year-round blog. Our Magazine and Donor Report will remain printed publications.

In May 2021 the college announced Hertford 2030, our aspirations for the next ten years. World-class facilities are at the centre of our Hertford 2030 plans, and consequently our priority for 2021-22 will be on securing support for capital projects, with a specific focus on the renovation and extension of the main college library. Hertford 2030 also renews our commitment to eliminating finance as a barrier, delivering excellent teaching and research, and providing an unrivalled student experience. These areas will continue to be priorities for our fundraising.

HERTFORD COLLEGE

Report of the Governing Body

Year ended 31 July 2021

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.

Investment policy, objectives and performance

The College's Statement of Investment Principles sets out the following aims:

- 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 £115.7m (2020 £86.5m), of which £68.6m represents endowed or restricted funds. The total investment income was c. 2.5% gross (average value).

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

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

To meet these objectives the College's investments of its permanent endowed funds are managed on a total return basis, maintaining diversification across a range of asset classes in order to produce an appropriate balance between risk and return. In line with this approach, the College statutes allow the College to invest permanent endowments to maximise the related total return and to make available for expenditure each year an appropriate proportion of the unapplied total return. The value date for establishing the initial values of the Investment Fund and the Unapplied Total Return was 31st July 2009.

The investment strategy, policy and performance is monitored by the Investment Committee. At the year end, the College's long term investments (permanent endowment only), combining securities and property investments, totalled £70.6m. Direct income earned on these investments amounted to £1.79m, and net value gains were £11.5m.

Under the total return accounting basis, it is the Governing Body's policy to extract as income 4.25% of the value of the relevant investments. However, to smooth and moderate, the amounts withdrawn are calculated on the average of the year end values in each of the last five years. Due to fluctuating investment values over the previous five years, the effective amounts withdrawn are currently may vary from the nominal rate. For the year ending July 31st 2021, an amount of £3.2m was withdrawn as income. The College also operates a policy of applying an amount of the UTR to the Investment Fund to preserve its real value. This is set based on the most recent RPI at the balance sheet date. For the year ending July 31st 2021, £1.7m was transferred, representing 3.8% of the Investment Fund value. The Governing Body will keep the level of income withdrawn under review to balance the needs and interests of current and future beneficiaries of the College's activities.

The Governing body is satisfied that the overall performance of investment activities for the year has met the objectives set.

HERTFORD COLLEGE

Report of the Governing Body

Year ended 31 July 2021

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.

Several of the projects under this strategy are now underway.

The immediate impact of COVID (on financial resources and restrictions on activities) has been a suspension of most new Estates work for the time being. Essential works, and those in progress, have continued.

STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES

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

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

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

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

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

Approved by the Governing Body on 24th November 2021 and signed on its behalf by:



Mr J Clark

Bursar

HERTFORD COLLEGE

Report of the Auditors

Year ended 31 July 2021

Independent Auditor's Report to the Trustees of Hertford College

Opinion

We have audited the financial statements of Hertford College for the year ended 31 July 2021 which comprise the Consolidated Statement of Financial Activities, Consolidated and College Balance Sheets, Consolidated Statement of Cash Flows and notes to the financial statements, including 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 the parent charity's affairs as at 31 July 2021 and of the group's income and receipts of endowments 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

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

HERTFORD COLLEGE

Report of the Auditors

Year ended 31 July 2021

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 requires 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 and proper 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, 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 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 of the Charities Act 2011, and report in accordance with the Acts 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the parent charity and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were taxation legislation, the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the parent charity's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the parent charity and the group for fraud. The other laws and regulations we

HERTFORD COLLEGE

Report of the Auditors

Year ended 31 July 2021

considered in this context for the group were General Data Protection Regulations and Health and Safety regulations.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the recognition of income, and the override of controls by management. Our audit procedures to respond to risk of income recognition included selecting a sample of income during the year, agreeing back to the relevant documentation and ensuring it has been recognised correctly. Our audit procedures to respond to the risk of management override included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

Date: 1st December 2021

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 2021

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 subsidiaries Hertford Programmes Limited and Hertford College Design and Build Limited. The subsidiaries have been consolidated from the date of their formation, being the date from which the College has exercised control through voting rights in the subsidiaries. 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 with reference to the latest scheme valuation.

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.

HERTFORD COLLEGE

Statement of Accounting Policies

Year ended 31 July 2021

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.

Total Return accounting principles have been adopted in relation to investments held as part of the permanent endowment.

The carrying value of the trust for investment (the preserved permanent capital) has been taken as the market value of the relevant investments as at 31st July 2009, together with the original gift value of all subsequent endowments received and transfers from the unapplied total return approved by the Governing Body to increase the value of the trust for investment in line with the RPI index. The balance of the investment unapplied total returns are accumulated as a component of the relevant endowment funds with amounts from this being released to income each year at the discretion of the Governing Body.

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).

HERTFORD COLLEGE

Statement of Accounting Policies

Year ended 31 July 2021

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

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.

HERTFORD COLLEGE

Statement of Accounting Policies

Year ended 31 July 2021

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

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 subsidiaries 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.

HERTFORD COLLEGE

Statement of Accounting Policies

Year ended 31 July 2021

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.

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Hertford College
Consolidated Statement of Financial Activities
For the year ended 31 July 2021

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2021 Total £'000	2020 Total £'000
INCOME AND ENDOWMENTS FROM:						
Charitable activities:	1					
Teaching, research and residential		4,976	10	9	4,995	5,722
Other Trading Income	3	-	-	-	-	2,270
Donations and legacies	2	1,022	363	-	1,385	1,371
Investments						
Investment income	4	607	123	1,731	2,461	2,872
Total return allocated to income	17	2,793	412	(3,205)	-	-
Other income	5	7,604	-	-	7,604	462
Total income		17,002	908	(1,465)	16,445	12,697
EXPENDITURE ON:						
	6					
Charitable activities:						
Teaching, research and residential		9,310	160	-	9,470	9,101
Generating funds:						
Fundraising		620	-	-	620	525
Trading expenditure		342	-	-	342	2,273
Investment management costs		677	9	133	819	728
Total Expenditure		10,949	169	133	11,251	12,627
Net Income/(Expenditure) before gains		6,053	739	(1,598)	5,194	70
Net gains/(losses) on investments	12	730	827	11,741	13,298	(6,647)
Net Income/(Expenditure)		6,783	1,566	10,143	18,492	(6,577)
Transfers between funds	17	-	31	(31)	-	-
Other recognised gains/losses						
Gains/(losses) on revaluation of fixed assets		-	-	-	-	-
Actuarial gains/(losses) on defined benefit pension schemes		-	-	-	-	-
Net movement in funds for the year		6,783	1,597	10,112	18,492	(6,577)
Fund balances brought forward	17	14,375	4,256	60,552	79,183	85,760
Funds carried forward at 31 July		21,158	5,853	70,664	97,675	79,183

Hertford College
Consolidated Statement of Financial Activities
For the year ended 31 July 2020

25th November 2021

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2020 Total £'000
INCOME AND ENDOWMENTS FROM:				
Charitable activities:				
Teaching, research and residential	5,701	2	19	5,722
Other Trading Income	2,270	-	-	2,270
Donations and legacies	675	666	30	1,371
Investments				-
Investment income	859	107	1,906	2,872
Total return allocated to income	1,868	283	(2,151)	-
Other income	462	-	-	462
Total income	11,835	1,058	(196)	12,697
EXPENDITURE ON:				
Charitable activities:				
Teaching, research and residential	8,818	281	2	9,101
Generating funds:				
Fundraising	525	-	-	525
Trading expenditure	2,273	-	-	2,273
Investment management costs	568	8	152	728
Total Expenditure	12,184	289	154	12,627
Net Income/(Expenditure) before gains	(349)	769	(350)	70
Net gains/(losses) on investments	(630)	(324)	(5,693)	(6,647)
Net Income/(Expenditure)	(979)	445	(6,043)	(6,577)
Transfers between funds	-	32	(32)	-
Net movement in funds for the year	(979)	477	(6,075)	(6,577)
Fund balances brought forward	15,354	3,779	66,627	85,760
Funds carried forward at 31 July	14,375	4,256	60,552	79,183

Hertford College
Consolidated and College Balance Sheets
As at 31 July 2021

	Notes	2021 Group £'000	2020 Group £'000	2021 College £'000	2020 College £'000
FIXED ASSETS					
Tangible assets	10	14,346	12,807	14,346	12,640
Property investments	11	7,951	928	7,951	928
Other Investments	12	115,705	86,515	115,705	86,515
Total Fixed Assets		138,002	100,250	138,002	100,083
CURRENT ASSETS					
Stocks		21	11	21	11
Debtors	14	1,484	1,097	1,971	1,503
Cash at bank and in hand		1,364	1,508	1,213	1,057
Total Current Assets		2,869	2,616	3,205	2,571
LIABILITIES					
Creditors: Amounts falling due within one year	15	(1,395)	(1,253)	(1,388)	(1,031)
NET CURRENT ASSETS		1,474	1,363	1,817	1,540
TOTAL ASSETS LESS CURRENT LIABILITIES		139,476	101,613	139,819	101,623
CREDITORS: falling due after more than one year	16	(40,000)	(20,000)	(40,000)	(20,000)
NET ASSETS BEFORE PENSION ASSET OR LIABILITY		99,476	81,613	99,819	81,623
Defined benefit pension scheme liability	21	(1,801)	(2,430)	(1,801)	(2,430)
TOTAL NET ASSETS		97,675	79,183	98,018	79,193
FUNDS OF THE COLLEGE					
Endowment funds		70,664	60,552	70,666	60,552
Restricted funds		5,853	4,256	5,853	4,256
Unrestricted funds					
Designated funds		14,845	13,307	15,187	13,317
General funds		8,114	3,498	8,114	3,498
Revaluation reserve					
Pension reserve	21	(1,801)	(2,430)	(1,801)	(2,430)
		97,675	79,183	98,018	79,193

The financial statements were approved and authorised for issue by the Governing Body of Hertford College on 25th November 2021

Trustee:

Trustee:



Hertford College
Consolidated Statement of Cash Flows
For the year ended 31 July 2021

	Notes	2021 £'000	2020 £'000
Net cash provided by (used in) operating activities	23	3,445	(3,954)
Cash flows from investing activities			
Dividends, interest and rents from investments		2,460	2,872
Proceeds from the sale of property, plant and equipment		217	-
Purchase of property, plant and equipment		(2,921)	(2,745)
Proceeds from sale of investments		11,169	16,159
Purchase of investments		(34,010)	(15,064)
Net cash provided by (used in) investing activities		(23,085)	1,222
Cash flows from financing activities			
Coupon on Private Placement Paid		(504)	(504)
Cash inflows from new borrowing		20,000	-
Receipt of endowment		-	30
Net cash provided by (used in) financing activities		19,496	(474)
Change in cash and cash equivalents in the reporting period		(144)	(3,206)
Cash and cash equivalents at the beginning of the reporting period		1,508	4,715
Change in cash and cash equivalents in the reporting period		(144)	(3,207)
Cash and cash equivalents at the end of the reporting period	24	1,364	1,508

Hertford College
Notes to the financial statements
For the year ended 31 July 2021

1 INCOME FROM CHARITABLE ACTIVITIES

	2021 £'000	2020 £'000
Teaching, Research and Residential		
Unrestricted funds		
Tuition fees - UK and EU students	1,942	1,769
Tuition fees - Overseas students	973	1,026
Other fees	245	639
Other HEFCE support	125	200
Other academic income	71	101
College residential income	1,620	1,966
	4,976	5,701
Restricted funds		
College residential income	10	2
	10	2
Endowed funds		
College residential income	9	19
	9	19
Total Teaching, Research and Residential	4,995	5,722
Choir school fees	-	-
Other	-	-
Restricted funds		
Choir school fees	-	-
Other	-	-
Endowed funds		
Other	-	-

The above analysis includes £3040k received from Oxford University from publicly accountable funds under the CFF Scheme, net of College fees received directly (2019: £2,995k).

2 DONATIONS AND LEGACIES

	2021 £'000	2020 £'000
Donations and Legacies		
Unrestricted funds	1,022	675
Restricted funds	363	666
Endowed funds	-	30
	1,385	1,371

3 INCOME FROM OTHER TRADING ACTIVITIES

	2021 £'000	2020 £'000
Subsidiary company trading income	-	2,270
	-	2,270

Note 13

4 INVESTMENT INCOME

	2021 £'000	2020 £'000
Unrestricted funds		
Commercial rent	18	39
Equity dividends	68	214
Income from fixed interest stocks	525	589
Interest on fixed term deposits and cash	(4)	10
Bank interest	-	7
	607	859
Restricted funds		
Equity dividends	91	74
Income from fixed interest stocks	32	33
	123	107
Endowed funds		
Equity dividends	1,270	1,304
Income from fixed interest stocks	461	602
	1,731	1,906
Total Investment income	2,461	2,872

5 OTHER INCOME

The Covid-19 pandemic severely impacted the College's spring and summer residential student and conference business. As a result, Hertford College was able to benefit from the government Coronavirus Job Retention Scheme, covering between 60% and 80% of payroll costs for staff unable to work due to the pandemic (reclaimable % varied during the duration of the scheme). At the peak of the scheme, 112 permanent non academic staff were furloughed during the year, representing 88.2 % of the College's residential, fundraising and support staff, all of whose salaries were topped up to 100% . JRS grant income was also received in respect 20 casual staff. In total, £654k was claimed during 2020-21

Other income also includes £6.95 million gain on the transfer of residential properties to investment holdings within the Endowment funds of the college.

Hertford College
Notes to the financial statements
For the year ended 31 July 2021

6 ANALYSIS OF EXPENDITURE

	2021 £'000	2020 £'000
Charitable expenditure		
Direct staff costs allocated to: Teaching, research and residential	4,837	4,312
Other direct costs allocated to: Teaching, research and residential	2,368	2,744
Support and governance costs allocated to: Teaching, research and residential	2,265	2,045
Total charitable expenditure	9,470	9,101
Expenditure on raising funds		
Direct staff costs allocated to: Fundraising	313	304
Trading expenditure	-	479
Other direct costs allocated to: Fundraising	262	182
Trading expenditure	75	512
Support and governance costs allocated to: Fundraising	45	39
Trading expenditure	267	1,282
Investment management costs	821	728
Total expenditure on raising funds	1,783	3,526
Total expenditure	11,253	12,627

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 College Contribution payable of £20k (2020 - £38k).

7 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

	Generating Funds £'000	Teaching and Research £'000	2021 Total £'000
General administration	1,098	1,207	2,305
Human resources	-	59	59
IT	5	366	371
Depreciation	9	1,135	1,144
Loss/(profit) on fixed assets	-	(52)	(52)
Other finance charges	-	(629)	(629)
Governance costs	21	179	200
	1,133	2,265	3,398

	Generating Funds £'000	Teaching and Research £'000	2020 Total £'000
General administration	1,852	1,092	2,944
Human resources	-	57	57
IT	45	396	441
Depreciation	121	688	809
Loss/(profit) on fixed assets	-	-	-
Bank interest payable	-	-	-
Other finance charges	-	(335)	(335)
Governance costs	32	147	179
	2,050	2,045	4,095

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.

Hertford College
Notes to the financial statements
For the year ended 31 July 2021

	2021 £'000	2020 £'000
Governance costs comprise:		
Auditor's remuneration - audit services	11	22
Auditor's remuneration - tax advisory services	9	7
Legal and other fees on constitutional matters	180	150
	200	179

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.

8 GRANTS AND AWARDS

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

	2021 £'000	2020 £'000
Unrestricted funds		
Grants to individuals:		
Scholarships, prizes and grants	58	138
Bursaries and hardship awards	222	104
Grants to other institutions	-	-
Total unrestricted	280	242
Restricted funds		
Grants to individuals:		
Scholarships, prizes and grants	396	340
Bursaries and hardship awards	-	108
Total restricted	396	448
Total grants and awards	676	690

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

9 STAFF COSTS

The aggregate staff costs for the year were as follows.

	2021 £'000	2020 £'000
Salaries and wages	5,119	5,633
Social security costs	358	372
Pension costs:		
Defined benefit schemes	248	495
	5,725	6,500

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

	2021	2020
Tuition and research	30	30
College residential	86	84
Fundraising	3	5
Support	35	39
Total	154	158

Hertford College
Notes to the financial statements
For the year ended 31 July 2021

	2021	2020
The average number of employed College Trustees during the year was as follows.		
University Lecturers	33	24
CUF Lecturers	6	8
Other teaching and research	1	1
Other	3	3
Total	43	36

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 £44k in 2020/21 (£14k in 2019/20). All redundancy costs were paid within the financial year.

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:

	2021	2020
£60,001-£70,000	5	4
£70,001-£80,001	-	-
£80,001-£90,001	-	-
£90,001-£100,001	-	-
£100,001-£110,001	-	-

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

	2021	2020
In defined benefits schemes	5	4
Total	248	495

The College contributions to defined contribution pension schemes totalled (This comprises £877k contributions paid and a credit for reduced pension provision liability of £629k)

10 TANGIBLE FIXED ASSETS

Group	Freehold land and buildings £'000	Plant and machinery £'000	Total £'000
Cost			
At start of year	25,464	321	25,785
Additions	2,760	161	2,921
Transfers to Investment properties	(1,392)	-	(1,392)
Disposals	(200)	-	(200)
At end of year	26,632	482	27,114
Depreciation and impairment			
At start of year	12,696	282	12,978
Depreciation charge for the year	1,057	86	1,143
Transfers to Investment properties	(1,319)	-	(1,319)
Depreciation on disposals	(35)	-	(35)
At end of year	12,399	368	12,767
Net book value			
At end of year	14,232	114	14,346
At start of year	12,768	39	12,807

At 31st July 2021, £2.4m of the Net Book Value of Fixed Assets represented assets under construction (2020: £2.9m).

Hertford College
Notes to the financial statements
For the year ended 31 July 2021

College	Freehold land and buildings £'000	Plant and machinery £'000	Total £'000
Cost			
At start of year			
Additions	25,297	321	25,618
Transfers to Investment properties	2,927	161	3,088
Disposals	(1,392)		(1,392)
	(200)	-	(200)
At end of year	26,632	482	27,114
Depreciation and impairment			
At start of year			
Charge for the year	12,696	282	12,978
Transfers to Investment properties	1,057	86	1,143
On disposals	(1,319)		(1,319)
Impairment	(35)	-	(35)
	-	-	-
At end of year	12,399	368	12,767
Net book value			
At end of year	14,232	114	14,346
At start of year	12,601	39	12,640

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.

11 PROPERTY INVESTMENTS

Group	Other £'000	2021 Total £'000	2020 Total £'000
Valuation at start of year			
Transfers	929	929	928
Revaluation gains/(losses) in the year	7,023	7,023	
Additions and improvements at cost	-	-	-
Valuation at end of year	7,951	7,951	928
College			
	Other £'000	2021 Total £'000	2020 Total £'000
Valuation at start of year			
Transfers	929	929	928
Revaluation gains/(losses) in the year	7,023	7,023	
Additions and improvements at cost	-	-	-
Valuation at end of year	7,951	7,951	928

12 SECURITIES AND OTHER INVESTMENTS

All investments are held at fair value.

Group investments	2021 £'000	2020 £'000
Valuation at start of year		
New money invested	86,514	94,257
Amounts withdrawn	20,000	-
Reinvested income	(11,000)	(3,800)
Investment management fees	7,062	2,886
Increase / (Decrease) in value of investments	(169)	(181)
	13,298	(6,647)
Group investments at end of year	115,705	86,515
Investment in subsidiaries	-	-
College investments at end of year	115,705	86,515

Hertford College
Notes to the financial statements
For the year ended 31 July 2021

Group investments comprise:	Held in the UK £'000	2021 Total £'000	Held in the UK £'000	2020 Total £'000
Equity investments	24,270	24,270	707	707
Global multi-asset funds	24,839	24,839	50,616	50,616
Property funds	379	379	4,187	4,187
Fixed interest stocks	19,933	19,933	12,139	12,139
Alternative and other investments (OUEM)	45,315	45,315	15,473	15,473
Fixed term deposits and cash	969	969	3,393	3,393
Total group investments	115,705	115,705	86,515	86,515

13 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.

Hertford College Design and Build Limited (Company Registration Number 12517047), a company limited by guarantee, is a wholly owned subsidiary of the College. It commenced trading on 13th March 2020 and its activities comprise designing, commissioning and constructing new estates facilities for the College.

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

	2021 Hertford College Design and Build £'000	2021 Hertford College Programmes Ltd £'000	2020 Hertford College Design and Build £'000	2020 Hertford College Programmes £'000
Income	(248)	-	-	2,270
Expenditure	248	342	(167)	(2,280)
Donation to College under gift aid	-	-	-	-
Result for the year	-	342	(167)	(10)
Total assets	15	133	326	151
Total liabilities	(14)	(133)	(493)	(151)
Net funds at the end of year	1	-	(167)	-

There was no Gift Aided management charge paid by Hertford College Programmes to the College during 2020-21 (2020: £570k). At the year end, a balance of £484k was owed by Hertford College Programmes to Hertford College (2019: £122k was owed by Hertford College Programmes to Hertford College).

14 DEBTORS

	2021 Group £'000	2020 Group £'000	2021 College £'000	2020 College £'000
Amounts falling due within one year:				
Trade debtors	201	82	204	82
Amounts owed by College members	49	129	49	129
Amounts owed by Group undertakings	-	-	484	432
Loans repayable within one year	13	16	13	16
Prepayments and accrued income	1,221	870	1,221	844
	1,484	1,097	1,971	1,503

Hertford College
Notes to the financial statements
For the year ended 31 July 2021

15 CREDITORS: falling due within one year

	2021 Group £'000	2020 Group £'000	2021 College £'000	2020 College £'000
Trade creditors	309	493	309	334
Amounts owed to College Members	(131)	11	(131)	11
Taxation and social security	163	121	151	121
College contribution	(7)	-	(7)	-
Accruals and deferred income	399	82	403	32
Other creditors	663	546	663	533
	<u>1,396</u>	<u>1,253</u>	<u>1,388</u>	<u>1,031</u>

16 CREDITORS: falling due after more than one year

	2021 Group £'000	2020 Group £'000	2021 College £'000	2020 College £'000
Other creditors	40,000	20,000	40,000	20,000
	<u>40,000</u>	<u>20,000</u>	<u>40,000</u>	<u>20,000</u>

Creditors fall due after more than one year comprise two bonds. The first was entered into in 2017/18, which has a fixed term of 30 years of which 28 remain, with a fixed coupon of 2.52%. These 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. The second bond was entered into during 2020/21 with a fixed term of 30 years and a fixed coupon of 2.31%. These funds will be used to support the significant capital investment in new facilities for the college. In a similar manner to the first bond, a portion of the proceeds has also been designated for long term investment to cover the repayment of the capital.

Hertford College
Notes to the financial statements
For the year ended 31 July 2021

17 ANALYSIS OF MOVEMENTS ON FUNDS

	At 1 August 2020 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Total Return £'000	Gains/ (losses) £'000	At 31 July 2021 £'000
Endowment Funds - Permanent							
College Endowment Fund	52,096	1,487	(117)	-	(2,793)	10,101	60,774
Drapers Fellowship Fund (Previously "Drapers Fund")	559	17	(1)	-	(30)	108	653
Mortimer May	900	27	(2)	-	(49)	174	1,050
E. M. Vaughan-Williams Trust	559	17	(1)	-	(30)	108	653
Michael Baring Travel Fund	84	3	-	-	(5)	16	98
Roger Van Noorden Economics Fund	559	17	(1)	-	(30)	108	653
Ellis-Barnard History Fellowship	1,407	42	(3)	-	(76)	273	1,643
Other Scholarship Funds	135	4	-	-	(29)	26	136
Student Support	670	20	(1)	-	(31)	130	788
Fellowship Fund	1,895	57	(4)	-	(102)	368	2,214
Drapers Scholarship Fund	589	18	(1)	-	(31)	114	689
Endowment Funds - Expendable							
Carreras Fellowship	545	16	(1)	(15)	-	106	651
Starun Fund	208	6	-	(6)	-	41	249
Armstrong-Macintyre-Markham	349	1	-	(1)	-	5	354
Law Student Support (Previously "BCL") Fund	(3)	10	(1)	(9)	-	62	59
Total Endowment Funds - College	60,582	1,742	(133)	(31)	(3,206)	11,740	70,666
Restricted Funds							
Undergraduate Bursaries	23	21	-	-	-	4	48
Carreras Fellowship	11	-	-	15	-	2	28
Drapers Fellowship	20	1	-	-	30	4	55
Drapers Scholarship	4	30	(24)	-	31	1	42
Mortimer May	214	6	-	-	49	41	310
E. M. Vaughan-Williams Trust	134	4	(7)	-	30	26	187
Janeway Restricted Fund	26	51	(21)	-	-	5	61
Unspent income of other Funds above	338	24	(1)	15	140	66	582
Other Funds	2,108	319	(113)	-	31	408	2,753
Matched Library	715	22	(2)	-	-	139	874
General Fellowships	663	20	(1)	-	102	129	913
Total Restricted Funds - College	4,256	498	(169)	30	413	825	5,853
Unrestricted Funds							
General	3,498	14,209	(10,949)	(2,167)	2,793	730	8,114
Fixed asset designated	12,807	-	-	1,539	-	-	14,346
Undergraduate Bursaries	500	-	-	-	-	-	500
Pension Reserve	(2,430)	-	-	629	-	-	(1,801)
Total Unrestricted Funds - College	14,375	14,209	(10,949)	1	2,793	730	21,159
Total Unrestricted Funds - Group	14,378	14,209	(10,949)	1	2,793	730	21,162
Total Funds	79,186	16,449	(11,251)	-	-	13,295	97,681

Hertford College
Notes to the financial statements
For the year ended 31 July 2021

	At 1 August 2019 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Total Return £'000	Gains/ (losses) £'000	At 31 July 2020 £'000
Endowment Funds - Permanent							
College Endowment Fund	57,345	1,655	(134)	-	(1,868)	(4,902)	52,096
Drapers Fellowship Fund (Previously "Drapers Fund")	614	18	(1)	-	(20)	(52)	559
Mortimer May	991	29	(2)	-	(33)	(85)	900
E. M. Vaughan-Williams Trust	614	18	(1)	-	(20)	(52)	559
Michael Baring Travel Fund	92	3	-	-	(3)	(8)	84
Roger Van Noorden Economics Fund	614	18	(1)	-	(20)	(52)	559
Ellis-Barnard History Fellowship	1,549	45	(4)	-	(51)	(132)	1,407
Other Scholarship Funds	167	5	-	-	(23)	(14)	135
Student Support	739	21	(2)	-	(25)	(63)	670
Fellowship Fund	2,086	60	(5)	-	(68)	(178)	1,895
Drapers Scholarship Fund	614	48	(1)	-	(20)	(52)	589
Endowment Funds - Expendable							
Carreras Fellowship	596	17	(1)	(16)	-	(51)	545
Starun Fund	228	7	(1)	(6)	-	(20)	208
Armstrong-Macintyre-Markham	351	1	-	(1)	-	(2)	349
Law Student Support (Previously "BCL") Fund	27	10	(1)	(9)	-	(30)	(3)
Total Endowment Funds - College	66,627	1,955	(154)	(32)	(2,151)	(5,693)	60,552
Restricted Funds							
Undergraduate Bursaries	-	23	-	-	-	-	23
Carreras Fellowship	-	-	(5)	16	-	-	11
Drapers Fellowship	-	-	-	-	20	-	20
Drapers Scholarship	-	-	(16)	-	20	-	4
Mortimer May	262	8	(67)	-	33	(22)	214
E. M. Vaughan-Williams Trust	142	4	(20)	-	20	(12)	134
Janeway Restricted Fund	8	50	(31)	-	-	(1)	26
Unspent income of other Funds above	283	16	(50)	16	97	(24)	338
Other Funds	1,692	634	(97)	-	25	(146)	2,108
Matched Library	760	22	(2)	-	-	(65)	715
General Fellowships	632	18	(1)	-	68	(54)	663
Total Restricted Funds - College	3,779	775	(289)	32	283	(324)	4,256
Unrestricted Funds							
General	6,749	9,967	(12,184)	(2,272)	1,868	(630)	3,498
Fixed asset designated	10,870	-	-	1,937	-	-	12,807
Undergraduate Bursaries	500	-	-	-	-	-	500
Pension Reserve	(2,765)	-	-	335	-	-	(2,430)
Total Unrestricted Funds - College	15,354	9,967	(12,184)	-	1,868	(630)	14,375
Total Unrestricted Funds - Group	15,354	9,967	(12,184)	-	1,868	(630)	14,378
Total Funds	85,760	12,697	(12,627)	-	-	(6,647)	79,186

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.

Endowment Funds (continued)

	Unapplied total return £000	Permanent capital £000	Total endowment £000
Balance at 1 August 2020	9,630	49,821	59,451
Income and gains			
Investment income	1,708	-	1,708
Investment gains	11,527	-	11,527
Total income and gains	13,235	0	13,235
Application of total return	(3,206)	-	(3,206)
Fees and transfers			
Investment management fees	(132)	-	(132)
RPI adjustment	(1,723)	1,723	-
Total fees and transfers	(1,855)	1,723	(132)
Net movement in year	8,174	1,723	9,897
Balance at 31st July 2021	17,804	51,544	69,348

The Trustees have adopted a duly authorised policy of total return accounting for the College investment returns with effect from 1 August 2019. The investment return to be applied as (income is calculated as 4.25% of the average of the year-end values of the relevant investments in each of the last 5 years (or the period since the original donation, if that is less than five years). The preserved (frozen) value of the invested endowment capital represents its open market value at 31st July 2009 together with all subsequent endowments valued at date of gift.

Endowment funds (continued)

	Trust for Investment 2020 £000	Unapplied total return 2020 £000	RPI Inflation 2021 £000	Income and gains £000	Application of total return 2021 £000	Total endowment 2021 £000	Unapplied total return 2021 £000
Funds							
Mortimer May	744	154	(28)	199	(49)	1,048	276
Drapers Fellowship Fund	466	92	(18)	124	(30)	652	168
E. M. Vaughan-Williams Trust	462	95	(18)	124	(30)	651	171
Michael Baring Travel Fund	69	14	(3)	19	(5)	97	25
Roger Van Noorden Economics Fund	525	32	(20)	123	(30)	650	105
Ellis-Barnard History Fellowship	1,316	91	(50)	312	(76)	1,643	277
Fellowship Fund	1,575	320	(60)	420	(102)	2,213	578
Matched Student Support	740	(69)	69	149	(31)	789	118
Drapers Scholarship Fund	614	(26)	26	130	(31)	687	99
College Endowment Fund	43,157	8,946	(1,640)	11,554	(2,793)	60,864	16,067
Scholarship Augmentation Fund	153	(19)	19	30	(29)	135	1
Funds total	49,821	9,630	(1,723)	13,184	(3,206)	69,429	17,885

18 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.
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.
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.
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 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
Law student support (previously known as 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 Stubley,Geography Prize,Music and student hardship Funds.
Janeway Restricted Fund	This Fund was established by donation to support the teaching of Philisopy and Computing.
Matched Library	An expendable endowment for the redevelopment or renovation of the library.
General Fellowships	Combined Historic Funds.

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
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 asides funds for the Deferred Benefit Pension Scheme Liability as required by FRS 102.

The Trustees have adopted a duly authorised policy of total return accounting for the College investment returns with effect from 1 August 2019. The investment return to be applied as income is calculated as 3.5% of the average of the year-end values of the relevant investments in each of the last 5 years (or whole years since the date of donation, where donations have been received within 5 years of the end of the year in question). The preserved (frozen) value of the invested endowment capital represents its open market value in 2009 together with all subsequent endowments valued at date of gift, inflated annually in line with RPI.

19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2021 Total £'000
Tangible fixed assets	14,346	-	-	14,346
Property investments	-	-	7,951	7,951
Other investments	47,139	5,853	62,713	115,705
Net current assets	1,474	-	-	1,474
Long term liabilities	(40,000)	-	-	(40,000)
Pension Scheme Liability	(1,801)	-	-	(1,801)
	<u>21,158</u>	<u>5,853</u>	<u>70,664</u>	<u>97,675</u>

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2020 Total £'000
Tangible fixed assets	12,807	-	-	12,807
Property investments	928	-	-	928
Other investments	15,632	4,256	66,627	86,515
Net current assets	1,363	-	-	1,363
Long term liabilities	(20,000)	-	-	(20,000)
Pension Scheme Liability	(2,430)	-	-	(2,430)
	<u>8,300</u>	<u>4,256</u>	<u>66,627</u>	<u>79,183</u>

20 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 live in a house owned jointly with the college. One such house was sold during the year, and no new properties were purchased.

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 £1,508,274 (2019-20 £1,391,346).

The total of pension contributions is £241,996 (2019-20 £202,234).

Remuneration paid to trustees

Range	2021		2020	
	Number of trustees	Gross remuneration, taxable benefits and pension contributions £	Number of trustees	Gross remuneration, taxable benefits and pension contributions £
£1,001-£2,000			1	868
£2,001-£3,000			1	1,896
£3,001-£4,000	1	3,461	1	3,240
£7,001-£8,000			1	7,139
£8,001-£9,000			-	-
£9,001-£10,000	1	9,209	-	-
£11,001-£12,000	1	11,867	3	34,856
£12,001-£13,000	2	24,501	-	-
£15,001 - £16,000	1	15,451	-	-
£16,001-£17,000			1	16,207
£17,001-£18,000	1	17,558		
£18,001-£19,000			1	18,790
£19,001-£20,000	1	19,496		
£21,001-£22,000	1	21,161	-	-
£22,001-£23,000	4	90,602	2	44,694
£23,001-£24,000	13	318,240	-	-
£24,001 -£25,000			14	342,040
£25,001 -£26,000	1	25,298	2	51,145
£26,001-£27,000	1	26,023	-	-
£28,001-£29,000	1	28,404	1	28,342
£29,001 -£30,000	1	29,504	1	29,439
£30,001-£31,000				
£31,001-£32,000	1	31,692	1	31,535
£32,001-£33,000			-	-
£33,001-£34,000	1	33,475	-	-
£34,001-£35,000			1	34,214
£36,001-£37,000			2	73,337
£40,001-£41,000				
£41,001-£42,000	1	41,145	-	-
£50,001-£51,000	1	50,987	1	50,875
£51,001-£52,000			1	51,557
£52,001-£53,000	1	52,674	-	-
£53,001-£54,000				
£54,001-£55,000	1	54,811	1	54,939
£55,001-£56,000				
£56,001-£57,000			2	112,493
£57,001-£58,000	2	115,056		
£58,001-£59,000				
£59,001-£60,000	1	59,008	1	59,313
£62,001 - £63,000	1	62,932		
£63,001-£64,000			1	63,043
£71,001-£72,000	1	71,494	1	71,730
£83,001-£84,000				
£84,001-£85,000	1	84,770		
£97,001-£98,000			-	-
£99,001-£100,000			1	99,143
£100,001-£101,000				
£103,001-£104,000	1	103,997		
£105,001 - £106,000	1	105,458		
£110,001-£111,000				
	44	1,508,274	43	1,391,346

5 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 (2019/20: £0).

See also note 28 Related Party Transactions

Key management remuneration

The total remuneration paid to key management was £260k (2020: £252k).

Key management are considered to be the Deputy Bursar, the Domestic Bursar and the Registrar and Director of Admissions.

21 PENSION SCHEMES

The College participates in the Universities Superannuation Scheme ('USS') and the University of Oxford Staff Pension Scheme ('OSPS') on behalf of 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 the USS and OSPS, 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 9.

In the event of the withdrawal of any of the participating employers in USS or OSPS, the amount of any pension funding shortfall (which cannot be otherwise recovered) in respect of that employer will be spread across the remaining participating employers and reflected in the next actuarial valuation of the scheme.

The USS comprises two parts, USS Retirement Income Builder which is a defined benefit arrangement and USS Investment Builder which is a defined contribution arrangement. However, as explained above, both parts are accounted for as if they were defined contribution arrangements.

The pension charge for the year in the Statement of Financial Activities includes £469k (2020 - £95k) in relation to the USS. This represents normal contributions of £519k (2020 - £458k) payable to the USS together with the change in the deficit funding liability between the opening and closing balance sheet dates of -£50k (2020 - £553).

The latest triennial actuarial valuation of the USS defined benefit liabilities was prepared as at 31 March 2020 and the related actuarial report and contribution determination were shared with the USS's Joint Negotiating Committee (JNC) (which represents employers and scheme members) in March 2021.

This report sets out increases in pension contributions that would be necessary to maintain the scheme's existing benefits under three scenarios. The most favourable of these scenarios required an overall contribution rate of 42.1% with higher rates for the other scenarios of 49.6% and 56.2%. These compare to the current overall contribution rate of 30.7%. The scheme deficit as at March 2020 also varies depending on the scenario from £14.9bn to £17.9bn (on a technical provisions basis).

In response to these rising costs of providing the scheme's current benefits, the JNC has proposed changes to the way future benefits are built up which, if agreed, will pave the way for the introduction of new contribution rates.

Any changes are still subject to a statutory employer-led consultation with affected employees and their representatives and, because of the necessary time for this, USS informed The Pensions Regulator that it was not possible to complete the 2020 valuation by the statutory deadline of 30 June 2021. The current expectation is that the valuation process will not conclude until late 2021 or early 2022.

Under the terms of the previous 2018 valuation, the total contributions from employers and active members of the scheme were set to rise to 34.7% from October 2021 – split 23.7% and 11% respectively. Subject to the above consultation on the 2020 valuation, a total contribution rate from October 2021 of 31.2% is proposed – split 21.4% and 9.8% respectively.

In summary, the current and proposed future contribution rates are:

	Employer	Employee	Total
1 October 2019 to 30 September 2021	21.1%	9.6%	30.7%
1 October 2021 – from 2018 valuation	23.7%	11.0%	34.7%
1 October 2021 – from JNC proposed scheme changes	21.4%	9.8%	31.2%

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 2021 the College's provision for the USS deficit funding liability was £1,075k (2020 - £1,125k). Further details on the Actuarial Valuations of the USS can be found on the USS website.

Oxford Staff Pension Scheme "OSPS"

The pension charge for the year includes a credit of £221k (2020 - £590k) in relation to the OSPS. This represents contributions of £358k (2020 - £372k) payable to the OSPS as adjusted by the change in the deficit funding liability between the opening and closing balance sheet dates of -£579k (2020 - £218k).

The latest formal actuarial valuation of OSPS was carried out as at 31 March 2019 and was published in June 2020. This valuation showed the scheme assets as £735.3m, sufficient to cover 87% of its liabilities of £848.1m on a technical provisions basis with an overall shortfall of £112.8m. The subsequent annual actuarial report prepared as at 31 March 2020 indicates that the deficit had increased to £166.6m with a funding level of 81%.

Based on the 2019 valuation the trustee and University agreed a recovery plan under which the employers will continue to pay contributions to the OSPS of 19% of pensionable salaries of 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 provisions deficit by 31 January 2028.

A provision of £725k has been included in the financial statements as at 31 July 2021 (2020 - £1,305k) 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.

22 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.

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

	2021 Group £'000	2020 Group £'000
Net income	18,492	(6,577)
Elimination of non-operating cash flows:		
Investment income	(2,461)	(2,872)
(Gains)/ Losses in investments	(13,298)	6,647
Endowment donations	-	(30)
Depreciation	1,144	809
(Surplus)/loss on sale of fixed assets	(52)	-
(Increase) / Decrease in stock	(10)	19
(Increase) / Decrease in debtors	(387)	143
Increase / (Decrease) in creditors	142	(2,262)
(Decrease)/increase in provisions	-	-
Increase / (Decrease) in pension scheme liability	(629)	(335)
Coupon on Private Placement paid	504	504
Net cash used in operating activities	<u>3,445</u>	<u>(3,954)</u>

24 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021 £'000	2020 £'000
Cash at bank and in hand	1,364	1,508
Total cash and cash equivalents	<u>1,364</u>	<u>1,508</u>

25 FINANCIAL COMMITMENTS

The totals of future minimum lease payments under non-cancellable operating leases for each of the following periods were:

	2021 £'000	2020 £'000
Land and buildings		
Not later than one year	335	318
Later than one year and not later than five years	396	592
Later than five years	-	5
	<u>731</u>	<u>915</u>
Other		
Not later than one year	17	5
Later than one year and not later than five years	56	-
	<u>73</u>	<u>5</u>

26 CAPITAL COMMITMENTS

The College had no contracted commitments at 31 July 2020 for future capital projects totalling (2019: £0k)

27 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.

	2021 £'000	2020 £'000
B Frellesvig		
D Dwan	11	14
R Zubek	-	167
G Wright and S Waddell	163	170
	181	188

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.

The joint equity share property belonging to D Dwan and the college was sold during 2020-21.

28 CONTINGENT LIABILITIES

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

29 POST BALANCE SHEET EVENTS

Universities Superannuation Scheme ('USS')

Since the year end, following the completion of the 2020 actuarial valuation, a new dual rate schedule of contributions has been agreed with an effective date of 1 October 2021. Recalculating the USS provision on the basis of these contributions would result in a increased obligation to fund the deficit of £2.008m, an increase of £0.933million. A further change to deficit recovery contributions will become applicable under the 2020 valuation if the Joint Negotiating Committee recommended deed on benefit changes has not been executed by 28 February 2022. In this scenario, higher deficit recovery contributions will commence from 1 October 2022 at 3% and then increase every 6 months until they reach 20% at 1 October 2025. They remain at this level until 31 July 2032. Negotiations continue and an increase to this level is considered remote. If the Schedule of Contributions remains unchanged, the University's Financial Statements for the year ended 31 July 2022 will reflect these changes to the provision, subject to any other changes in financial and operational assumptions.

