

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

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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.

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

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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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Report of the Governing Body

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.

HERTFORD COLLEGE

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

HERTFORD COLLEGE

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
	6,527	4,976
Restricted funds		
College residential income	-	10
	-	10
Endowed funds		
College residential income	224	9
	224	9
Total Teaching, Research and Residential	6,751	4,995
	-	-

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	-	-
	800	1,385

3 INCOME FROM OTHER TRADING ACTIVITIES

	2022 £'000	2021 £'000
Subsidiary company trading income	200	-
	385	-

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	-
	1,610	607
Restricted funds		
Equity dividends	132	91
Income from fixed interest stocks	17	32
	149	123
Endowed funds		
Equity dividends	2,124	1,270
Income from fixed interest stocks	273	461
	2,397	1,731
Total investment income	4,156	2,461

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
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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	287
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
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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
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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			
	Other £'000	2022 Total £'000	2021 Total £'000
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

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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

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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)	-	(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)	68,311
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 increase	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 Frølesvig	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