



MERTON  
COLLEGE  
OXFORD

# **Annual Report and Financial Statements Year ended 31 July 2023**

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## **MEMBERS OF THE GOVERNING BODY 1 August 2022 to 31 July 2023**

The members of the Governing Body, who are Fellows of the College, are the College's charity trustees. The members of the Governing Body who served in office during the year or at the date of this Report are detailed below.

		1	2	3	4	5
Mr Charles Alexander		•	•	•	•	
Dr Jennifer Altehenger			•			
Professor Rhiannon Ash			•			
Professor Alan Barr		•	•			
Dr Kathryn Blackmon		•	•			
Dr Alice Brooke			•	•		
Dr Gwen Burnyeat						
Professor Mindy Chen-Wishart			•			
Mr Mark Coote					•	
Dr Helen Craske						
Dr Chloe Deambrogio						
Dr Brianne Kathleen Dolce	(Resigned 14.07.23)		•			
Dr Daniela Dover			•			
Dr Frances Dunn	(Fellowship ended 30.09.22)					
Frater John Eidinow		•	•			
Professor Artur Ekert						
Professor Radek Erban			•			
Dr Hadleigh Frost						
Professor John Geddes						
Mr John Gloag		•				
Professor Veronique Gouverneur	(Resigned 31.10.22)		•			
Dr Jane Gover			•	•		
Professor Daniel Grimley	(Appointed 01.10.22)	•	•			
Dr Matthew Grimley			•		•	
Professor Timothy Guilford			•	•		
Professor Steven Gunn			•			
Professor Matthew Higgins	(Resigned 31.12.22 and re-elected 10.04.23)		•			
Professor Peter Holland					•	
Professor Simon Hooker			•			
Professor Ehud Hrushovski						
Professor Lorna Hutson						•
Dr Nicholas Irwin						
Dr Xiangyu (Michael) Jie						
Revd Canon Dr Simon Jones		•	•	•	•	
Dr Vatsal Khandelwal						
Professor Julian Knight			•			

Dr Madhavi Krishnan			•	•		
Professor Nathaniel Lane			•			
Professor Irene Lemos						
Mr Timothy Lightfoot		•	•	•		
Mr Andrew Mackie						•
Professor Ian Maclachlan		•	•			
Professor Richard McCabe			•			
Professor Alan Morrison		•	•			
Dr James Newton			•	•		
Professor Béla Novák						
Professor David Paterson			•			
Professor Jennifer Payne	(Acting Warden from 01.01.23)	•	•	•	•	
Professor Jonathan Prag			•			
Professor Thomas Richards			•			
Dr Emily Rutherford	(Fellowship ended 30.09.22)					
Professor Simon Saunders	(Retired 30.09.22)		•			
Dr Daniel Sawyer	(Fellowship ended 30.09.22)					
Professor Alexander Schekochihin			•			
Professor Alexander Scott			•		•	
Professor Helen Small		•		•		•
Dr Henry Spelman	(Resigned 31.08.22)					
Dr Bassel Tarbush		•	•	•		
Professor Patricia Thornton			•			
Professor Irene Tracey	(Resigned 31.12.22)	•	•	•	•	
Dr Julia Walworth			•	•	•	
Professor Hugh Watkins						
Prof Michael Whitworth			•			
Professor Sir Andrew Wiles						

The following Fellows were appointed as members of the Governing Body from 1st October 2023:

Dr Martina Astrid Rodda  
Dr Lucy Brookes  
Dr David Nadlinger  
Dr Alexander Lipp  
Dr Krishnan Ram-Prasad  
Dr Naomi Waltham-Smith

During the year, the major activities of the Governing Body were carried out through five main committees (further details on these committees are provided in the Report of the Governing Body below). The membership of these committees is shown above for each Fellow.

1. Finance Committee
2. Warden & Tutors Committee
3. Graduate Committee
4. Development and Alumni Relations Committee
5. Remuneration Committee

## SENIOR STAFF

The senior staff of the College were as follows for the year ended 31 July 2023:

Professor Irene Tracey	Warden (resigned 31 December 2022)
Professor Jennifer Payne	Acting Warden (from 1 January 2023)
Professor Alan Morrison	Sub Warden
Mr Charles Alexander	Finance Bursar
Mr Timothy Lightfoot	Domestic Bursar
Mr John Gloag	Estates Bursar & Land Agent
Revd Canon Dr Simon Jones	Chaplain (on leave from 25 <sup>th</sup> March 2023)
Fra' John Eidinow	Dean & Keeper of Statutes
Dr Jane Gover	Senior Tutor
Mr Mark Coote	Development Director
Dr Julia Walworth	Librarian

## **COLLEGE ADVISERS**

### **Investment Managers**

Legal & General, One Coleman Street, London EC2R 5AA

Schroder & Co. Limited, 31 Gresham Street, London EC2V 1QA

Cerno Capital Partners LLP, 34 Sackville Street, London W1S 3ED

### **Auditors**

Critchleys Audit LLP, Beaver House, 23-38 Hythe Bridge Street, Oxford OX1 2EP

### **Bankers**

Barclays Bank plc, Oxford City, 54 Cornmarket Street, Oxford OX1 3HB

### **Solicitors**

HCR Hewitsons, Elgin House, Billing Road, Northampton NN1 5AB

Mills & Reeve, 112 Hills Road, Cambridge CB2 1PH

Penningtons Manches, 9400 Garsington Road, Oxford Business Park, Oxford, OX4 2HN

Farrer & Co, 66 Lincoln's Inn Fields, London, WC2A 3LH

Wilsons LLP, Alexandra House, St Johns Street, Salisbury SP1 2SB and, Lincoln's Inn Fields, London WC2A 3AA

### **Surveyors**

Savills, Wytham Court, 11 Westway, Oxford OX2 0QL

Gerald Eve LLP, 72 Welbeck Street, London W1G 0AY

### **Other**

Peninsula Business Services, 2 Cheetham Hill Road, Manchester M4 4FB

### **College address**

Merton Street, Oxford OX1 4JD

### **Website**

[www.merton.ox.ac.uk](http://www.merton.ox.ac.uk)

## **REPORT OF THE GOVERNING BODY**

Under the Charities Act 2011, the Governing Body presents its Annual Report for the year ended 31 July 2023, together with the audited financial statements for the year.

## **REFERENCE AND ADMINISTRATIVE INFORMATION**

Merton College is a charitable corporation founded as a self-governing community of scholars first in Malden, Surrey, and then in Oxford, by Walter of Merton, Lord Chancellor of England and Bishop of Rochester, with royal consent under statutes dated 1264 and 1274. The full legal name of the College is 'The Warden and Scholars of the House or College of Scholars of Merton in the University of Oxford'. The term 'Fellows' latterly replaced 'Scholars', and the Fellows elected under Statute 4.2(a) of the College Statutes, together with the Warden, who is the head of the College, comprise the Governing Body of the College. The College registered with the Charities Commission on 15 November 2010 (registered number 1139022). Prior to that date the College was an exempt charity under section 3(5a) of the Charities Act 1993, as listed in Schedule 2(b) to that Act.

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 the senior staff and advisers of the College, are given on pages 2 to 5.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Governing documents**

The College is governed by its Statutes approved by The Queen-in-Council under the Universities of Oxford and Cambridge Act 1923.

### **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 Archbishop of Canterbury. The Governing Body is self-appointing, and membership is subject to review and renewal every seven years and lapses with retirement from office.

The Governing Body determines the ongoing 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 Warden and is advised by five main committees and thirty ancillary or subsidiary committees, forums and panels.

### **Recruitment and training of members of the Governing Body**

New Fellows are elected to the Governing Body on the basis of their knowledge of and contribution to education, learning and research within the College and the University of Oxford, or on the basis of their possession of professional and administrative qualifications and skills that will enable them to advise and assist other members of the Governing Body.

Recommendations concerning appointments to Fellowships are made to the Governing Body by committees convened specifically for the purpose and chaired by the Warden. Appointment committees include expert members recruited from outside the College, and academic appointments may be made by joint process with a faculty or department of the University of Oxford.

New members of the Governing Body are inducted into the workings of the College, including their role as trustees and Governing Body policies and procedures by the senior staff of the College, are provided with written reference material explaining their roles, and may attend external trustee training and information courses to keep them informed on current issues in the sector and on 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 other than as provided for by the Statutes of the College. Those trustees that are also employees of the College receive remuneration for their work as employees of the College which is set based on the advice of the College's Remuneration Committee, members of which are Fellows not employed by the College and external members. Where practical, remuneration is set in line with that awarded to the University's academic staff.

The remuneration of senior College staff is set by the Governing Body on the advice of the Remuneration Committee in line with market norms.

## **Organisational management**

The Governing Body meets at least nine times a year. The work of developing and monitoring the implementation of its policies is mostly carried out by five committees, described below.

### **Finance Committee**

The Committee is responsible for advising the Governing Body on all matters concerning finance, financial administration, investment, accounting and risk management. The Committee is also responsible for the administration of the terms and conditions of employment of non-academic staff and academic staff who are not members of Governing Body (the Remuneration Committee is responsible for members of Governing Body, and employment issues may also be considered by the Equality Forum). The Committee is chaired by the Warden and has up to fourteen members, including up to three members with relevant skills who are not members of the Governing Body and include the College Accountant. It meets at least six times each year. There is an Investment Sub-Committee consisting of four members of the Governing Body, including the Warden and up to five members who have relevant professional skills and experience and who are not members of the Governing Body. There is also a Benefactions Sub-Committee tasked with ensuring the appropriate use of restricted donations made up of up to five life members of the College. As part of a review of the committees of the College, the Benefactions Committee was abolished during the year. One of the external members of the Finance Committee will review the use of restricted donations and present their findings annually to the Finance Committee.

## **Academic Committees** ('Warden & Tutors' Committee' and 'Graduate Committee')

The Warden and Tutors' Committee has delegated authority to make and enforce regulations on all matters concerning junior members, including their academic work, welfare, recreational use of College facilities, and disciplinary matters. The Committee reports to the Governing Body its decisions on all matters of principle on these topics, and makes recommendations to the Governing Body on other relevant matters, including material changes to the range and focus of educational activities.

The Committee is chaired by the Warden and its more than thirty members include the Senior Tutor, the subject Tutors, the Finance and Domestic Bursars, the Dean & Keeper of Statutes, the Librarian, the Chaplain and the Academic Registrar. The Committee meets at least twelve times each year. Undergraduate representatives attend at least one meeting per term. Subsidiary committees are responsible for considering student discipline, teaching needs, access and schools liaison, and student support.

The Graduate Committee considers all matters related to postgraduate members. It is chaired by the Warden and convened by the Senior Tutor, with academic membership representing all four divisions of the University, key College Officers including the Dean of Graduates and graduate student representatives. It meets three times per year.

## **Development and Alumni Relations Committee**

The Committee is responsible for the oversight and co-ordination of fundraising and alumni relations activities undertaken by the College, for the recommendation of policy on fundraising and alumni relations, and for the consideration of matters concerning the external relations of the College. It also has responsibility, delegated from Governing Body, for the acceptance of gifts. The Committee is chaired by the Warden and has fourteen members, including the Development Director, two student representatives and three other members with relevant skills and experience who are not members of the Governing Body. It meets at least three times each year.

## **Remuneration Committee** ('Committee on Stipends and Allowances')

The Committee is responsible for making recommendations to the Governing Body concerning the remuneration and benefits of any member of the Governing Body who is employed by the College, or any College Officer who is not a member of the Governing Body. There are seven members of the Committee, no member of the Committee may be an employee of the College, and the chair and three other members may not be members of the Governing Body. The Committee usually meets once annually or otherwise as required.

## **Other Committees**

Apart from the main committees, there are committees devoted to specific areas of College life including Buildings, Chapel and Patronage, IT Services, Library, and Sports. The Domestic Committee oversees all the domestic arrangements of the College. There are student representative members on most of these committees. There is also a Research Committee reporting directly to the Governing Body.

The Statutes & Bylaws Committee is tasked with reviewing the statutes, bylaws, regulations and policies of the College and usually meets three times a term. The Fellowship & Appointments Committee is tasked with making recommendations to Governing Body concerning election of Fellows and other appointments. It meets at least once a term.

During the year, the College undertook a review of its committee structure, led by the Fellowship & Appointments Committee, with the goal of improving efficiency and ensuring the time of Fellows and other committee members is as well deployed as possible. As a result of this review, the College abolished the Benefactions Sub-committee as described above and the Wine Sub-committee. Further, the Fellowship & Appointments has recommended to Governing Body the abolition of a number of other committees and the establishment of a new audit committee. The Governing Body will consider these recommendations at a meeting in Michaelmas Term. In each case where a committee is abolished the work of that committee will be considered by another existing committee of College, as appropriate.

The day-to-day running of the College is delegated to the Warden, supported by the Sub Warden, Senior Tutor, Tutors, Bursars, Chaplain, Dean & Keeper of the Statutes, Librarian and Development Director. The Warden attends meetings of nearly all the Governing Body's Committees.

As a result of the Warden's resignation to take up the post of Vice-Chancellor, the Governing Body appointed Professor Jennifer Payne to the post of Acting Warden from 1<sup>st</sup> January.

During the year, the College ran a process to identify and select a Warden to replace Professor Irene Tracey, selecting Professor Jennifer Payne as its new Warden at a meeting in Trinity Term. Professor Payne was installed as the Warden on 30<sup>th</sup> September 2023.

## **Group structure and relationships**

The College administers many special funds as detailed in the notes to the financial statements.

The College has a wholly owned non-charitable subsidiary, Merton Enterprises Limited, whose annual profits are donated to the College under the Gift Aid Scheme. The trading activities of Merton Enterprises Limited comprise letting of the College facilities and merchandise sales.

The College has a wholly owned non-charitable subsidiary, Merton College No. 1 Limited, whose annual profits are donated to the College under the Gift Aid Scheme. The trading activities of Merton College No. 1 Limited comprise the purchase, development and sale of land and property.

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 for the public benefit are: to advance education, learning, research, and religion through the provision of a college in Oxford or elsewhere.

The College's Aims for the public benefit are to achieve the highest outcomes in education, learning and research at national and international level; and to maintain the College Chapel as a place of public worship pursuing the highest standards of liturgical, homiletical, and musical excellence.

The Aims for the College's subsidiaries are to help finance the achievement of the College's Objects.

### **Activities of the College**

The College's principal activity is the advancement of education and learning, through provision of teaching and educational support, to approximately 600 resident undergraduate and graduate students who have been admitted as members of the College and who are engaged on a course of studies leading to the award of a degree in the University of Oxford, through the appointment or employment of Fellows and academic staff who are actively engaged in research, through the provision of accommodation and support facilities and through the provision of research grants to Fellows and students.

### **Public benefit**

The Governing Body intends that the benefits of education and learning provided by the College should be available to the widest possible range of suitably qualified candidates, irrespective of background, and takes careful note of the guidance provided by the Charity Commission on public benefit, the advancement of education and fee-charging.

To this end, the College participates with the University of Oxford and other colleges and institutions in Oxford in an access bursary scheme to provide financial assistance to eligible home undergraduate students.

See <http://www.ox.ac.uk/students/fees-funding/> for details of the Oxford Bursary Scheme.

In order to encourage applications from excellent students who might not otherwise consider applying for admission to the College, the College employs a Schools Liaison and Access Officer and operates an outreach programme, including schools visits, visits to the College, open days and provision of information, to establish and maintain contact with schools, school teachers and students.

The College retains a team of welfare and medical advisers, who provide support and confidential counselling to students and staff who are distressed or who have special needs, and who may authorise grants and funding for referrals for specialist professional treatment or advice.

Students are provided with opportunities to contribute to College policies and practices, through participation in College committees, through formal and informal interaction with College Officers and Fellows, and through voluntary surveys and assessment processes.

The College operates student support funds which may be used to make grants to any student in financial hardship, including grants to supplement funding shortfalls and grants for special academic needs.

The College provides scholarship funds to graduates and makes grants to all students for books and equipment and travel and other research related activities.

The College provides residential accommodation for approximately 300 undergraduates and 170 graduates.

The Equality Forum comprises seven members drawn from the Governing Body, four student members, seven staff members (a College Lecturer, the HR Manager, the Academic Registrar, the SLAO, the SSA, and two non-academic employees of the College who are not members of GB) and one external member. The Forum considers and makes recommendations concerning equality in all aspects of College life, including admission of students and student provision and progress, as well as employment issues. The Governing Body appoints one of its members as Equality Adviser.

The College is normally open to the public during visiting hours throughout most of the year. Chapel services are open to members of the public.

## **ACHIEVEMENTS AND PERFORMANCE**

### **Undergraduate students**

316 students were enrolled for undergraduate degree courses at the University of Oxford during the year. Of these, 252 were ordinarily resident in the UK and 64 were ordinarily resident overseas (including in the EU). 184 were studying humanities and social sciences subjects and 132 were studying mathematics, medicine and physical sciences. 112 undergraduates held College scholarships or exhibitions during the year.

86 undergraduates took Final Honour Schools examinations at the University of Oxford in 2023. Some classifications were affected by the UCU strike action and are not expected to be announced until Michaelmas term 2023. Of the 86 finalists, 6 took degrees classified by Pass/Distinction outcomes on the MSc-level year. Of the 74 students classified for first-class, 2.1, or 2.2 degrees, 31 (41.9%) achieved Firsts (down from 54% in 2022), 40 (54.1%) achieved 2.1s (up from 36%) and 3 (4.1%) achieved 2.2 degrees (down from 10% in 2022). No students obtained a Third. There were 8 finalists whose results were not classified. Of the 6 undergraduates taking MSc-level, fourth-year exams, 4 (67%) were awarded distinctions, 1 was awarded a merit and 1 a pass.

### **Graduate students**

190 graduate students were enrolled for research study leading to the DPhil degree at the University of Oxford during the year, of whom 55 were studying humanities, 71 were studying mathematics and physical sciences, 25 were studying social sciences, and 39 were studying medical sciences.

81 students were enrolled for other graduate degrees at the University of Oxford, including the EMBA/MBA, BCL/MJur, MSc, MSt, MPhil, and BPhil, Diploma and 2<sup>nd</sup> BM.

27 graduates were awarded DPhil degrees and 48 graduates were awarded other graduate degrees during the year.

33 graduates were elected to College scholarships.

## Scholarships, bursaries, grants and prizes

Expenditure during the year was as follows:

<b>Undergraduates</b>	
Oxford Bursaries	£70,280
Prizes	£13,945
Scholarships	£63,828
Other grants	£171,330
<b>Graduates</b>	
Scholarships	£989,133
Research and other grants	£65,726
<b>All students</b>	
Student support and book grants	£135,277

## Welfare and special needs

The annual cost of staff time (Chaplain, Senior Tutor, Academic Registrar, Nurse, Doctor and Junior Deans for Welfare) and other cost of welfare provision (including a contribution to the University Counselling Services) is of the order of £80,000, 17.7% (104) of the total student population in 2022-23 (70 undergraduates and 34 graduates) had known disabilities or long-term health conditions.

## Schools liaison

The College engaged in over 39 in-person and online schools liaison activities during the 2022-23 academic year reaching thousands of students, particularly in the south west of England (Merton's main regional link area). These were either Merton-only events or were held in conjunction with the University of Oxford or other Oxford or Cambridge colleges. Work continued with the South West Consortium (Merton College, Exeter College and Lady Margaret Hall) and this is expected to develop further in the coming years. Schools liaison activities included visits to schools and colleges, workshops focusing on different aspects of applications, taster lectures, and development of pupils' thinking and wider academic skills. Sessions were intended to raise educational aspirations, inform course choices, highlight the benefits of higher education (including studying at Oxford and Merton), and clarify Oxford application's processes. Three in-person open days were held (one in September and two in June), with the June events attracting almost 3,500 visitors.



The College continued to develop its work with the Social Mobility Foundation, a UK wide charity aiming to improve the social mobility of young people. In addition to online events, a 3-day residential visit to the College was held for a group of 34 year 12 students.

The annual cost of employing a Schools Liaison and Access Officer, together with associated costs, was of the order of £31,600 – slightly higher than in the previous year due to the post being filled for a greater proportion of the year.

## **Library**

The College Library provides support for teaching, learning, and research by members of the College and visiting researchers through resources, professional assistance, and through maintaining spaces conducive to productive study. The Library also contributes to the effective running of the College administration through management of records, archives, and provision of information. The Library and Archives Committee, which reports to Governing Body, has representation from Fellows, undergraduates, and postgraduates. Decisions about library services are informed by regular user experience surveys, and by informal communications. The College supports staff membership in professional organisations, and staff maintain awareness of best practice through participation in University and professional groups. The College is a member of the Oxford Conservation Consortium to provide professional care and advice in relation to heritage collections.

Timely access to printed books continues to be highlighted on the annual undergraduate survey as an 'essential' service, along with study space, and access to electronic resources. Library study spaces are used intensively and are supplemented with other rooms in College during the exam term. A total of 846 print books were acquired in 2022-2023 of which 100 were gifts. The library also participates in an initiative to co-ordinate the purchase of e-publications across the collegiate University. There were 22 accessions to the archives this year: 12 gifts, 9 internal transfers, and 1 purchase.

The Library aims to care for special collections, archives, and heritage material to professional standards, to make them known to researchers and the public, and to make them physically accessible for research and for teaching. This year the Library received 102 research visits to consult heritage items. Staff responded to 193 written research enquiries (exclusive of reprographic requests). A staffed information desk provides a needed service, with some 700 in-person enquiries logged this year.

Daily tours of the College, including the historic library, were offered to members of the public and special-interest groups this summer from mid-June to mid-September. There were 470 visitors in June and July 2023. The spring/summer exhibition, 'Earthly Paradise', featured illustrated botanical works elucidating the changing functions of

gardens in the College from the 16<sup>th</sup> to the 20<sup>th</sup> centuries. Library and Archive staff collaborated with the Visiting Research Fellow in the Creative Arts, Performative Story Teller, Ben Haggarty, to organise a public event, 'Fairytale Tellers of Merton', on 27 May 2023. Over 100 attendees of all ages enjoyed the talks, a special exhibition from library collections and story-telling performance.

## **Fellows**

The College postponed the process of appointing early career researchers (who join Governing Body for two years as Junior Research Fellows) in 2022-23 for a variety of administrative reasons. Early career researchers appointed in October 2022 (as a result of the recruitment process in 2021-22) will become Governing Body Fellows in October 2023.

Professor Mindy Chen-Wishart retired from her post on 30<sup>th</sup> September 2023 and moved to take up a Professorship in Law at the National University of Singapore. Professor Veronique Gouverneur resigned from her Fellowship at Merton in November 2022 to become the Waynflete Professor of Chemistry, which is associated with Magdalen College, Oxford. Professor Matthew Higgins took up the EP Abraham Professorship of Structural Biology in January 2023, and was elected to a Professorial Fellowship of the College from 13 March 2023. Dr Brianne Dolce left the College in July 2023 to take up an education policy advisor role at Leiden University.

Employment costs were, in respect of Teaching Fellows, £1,350 thousand for the year; in respect of other teaching staff £446 thousand for the year and in respect of Research Fellows and other Fellows (including stipends paid to part-time College Officers) £433 thousand for the year.

Research grants of £177 thousand were made to Fellows during the year.

The 47 academic Fellows on the College's Governing Body included 16 Mathematical, Physical and Life Scientists, 15 scholars in the Humanities, 11 in the Social Sciences and 5 in the Medical Sciences. The research interests of Fellows are described further at <http://www.merton.ox.ac.uk/fellowsandresearch/fellows.shtml>

## **Chapel**

The Chaplain took leave of absence from the end of March to take up the post of Interim Dean of Lincoln Cathedral, until the end of December 2023.

Daily public services were held in the College Chapel throughout the academic year. The main service of the week was on Sunday evening, and it attracted an average in-person attendance of 115. Twenty-nine junior members participated in the running of the Chapel,

and the Chaplain was assisted by a new Associate Chaplain from Michaelmas Term. During the Chaplain's secondment to Lincoln Cathedral, we were joined by The Reverend Canon Dr Christopher Collingwood for Trinity Term. Twelve baptisms, eleven confirmations and eight weddings took place in the Chapel. Most Chapel collections are donated to charitable causes, and in the year 2022-2023 Shelter was the recipient of the Chapel collections.

In relation to the building, plans were developed for the installation of a new porch in the south transept. It is hoped that this work will take place in the summer of 2024.

### **Choral Foundation**

A full complement of 26 choral scholars, 5 graduate choral scholars, 3 choral bursary holders, and two organ scholars have contributed to the services in Chapel on a Sunday, Tuesday and Thursday. On a Monday and Wednesday, the services are sung by 24 girl choristers, who are drawn from ten different schools across Oxford. All choral services during the academic year were livestreamed through the College Choir's YouTube account. The College Choir broadcast live on BBC Radio 3 on 26<sup>th</sup> April 2023.

Both the College Choir and the Girl Choristers sang in the Sheldonian Theatre for the Admission of Professor Irene Tracey as Vice-Chancellor of Oxford University on 10<sup>th</sup> January 2023. In April 2023, the College Choir made its debut at London's Barbican in Bach's *St John Passion*, and later in the month gave a performance of Haydn's *Creation* at the Sheldonian Theatre. On 5<sup>th</sup> May, the choir sang at Oxford University's Service of Thanksgiving for the Coronation of King Charles III at the University Church, and in June the choir took part in a concert at Windsor Castle. Recording activities included making a disc with Sarah Connolly, Neal Davies and Nick Pritchard. The Girl Choristers sang a concert in the Oxford Lieder Festival in October 2022, and in August 2023 they undertook a short concert tour in Paris.

### **Capital projects**

There were no major capital projects undertaken in 2022-23.

Within routine property expenditure, shower facilities have been added to 28 Graduate rooms in Holywell Street and a replacement hot water system has been installed in the College kitchen. Four Fellows houses have been refurbished at 4, 6 & 10 Manor Road and 97 Holywell Street. A major programme of external decoration has commenced in Fellows Quad and replacement of the food servery counter in Hall is scheduled. Three fire hydrants located in Front Quad, Fellows Quad and Chestnut Lawn have also been replaced.

## **Fundraising**

The financial year 2022-23 saw high levels of engagement with alumni worldwide, and an increase in the percentage of donor participation for the third year running. New initiatives through the Merton Society, the alumni network, drove this engagement as well as a busy programme of appeals, events, visits and tours undertaken by the Development Office.

Fundraising focused on a broad number of priorities which included identifying support for a new library project. Pledges in support of that project have been encouraging as we embark upon a quiet fundraising phase around the creation of an initial conceptual design and explore potential sites for the new building. Along with principal donations towards the library, the College also received strong support for graduate scholarships. Graduate scholarships were completed in Chemistry, Archaeology and History during the year, alongside good progress for a DPhil scholarship in Law and an Academic Futures scholarship addressing under-representation of Black British graduates at Oxford. A campaign to fund a master's scholarship for a refugee Ukrainian student was completed as well as support for an at-risk academic from Ukraine. Funding towards a full scholarship for a Ukrainian doctoral student is well underway. There was also a significant pledge made to endow funds towards undergraduate bursary support.

Other notable appeals included the near completion of the Upper Library medieval stained-glass window campaign, support for the Girl Choristers' Instrumental Bursaries, a new Choir album, and a successful campaign to support graduate, James Kempton, in undertaking a scientific exploration to the Cyclops Mountains in Indonesia.

Two successful telethons were held, supported by an excellent team of student callers, with more than £200,000 raised in new gifts and pledges. An annual fundraising 'menu' launched with MC3 in November 2022 delivered consistently good results and was the basis of a direct mail summer appeal in July 2023.

A new match-funded Posterity Gift of £12.64, donated by 100% of incoming graduate students in Michaelmas term, supported student welfare and mental health. In Trinity term, 95% of the 2022 undergraduate leavers each made donations of £12.64 in support of the same cause. The leavers' donations were matched by an alumnus donor.

During the year, the College received £1.934 million in donations and legacies. Of the overall cash donated, £188,000 was received in respect of Fellowships (teaching and research), £511,000 towards Graduate Scholarships, £138,000 in respect of Student Support and the Student Experience, £388,000 for buildings projects, and £375,000 for other purposes. £334,000 was received in unrestricted donations. A total of £8.124 million was pledged in new funds and is the highest amount on record.

The College is registered with the Fundraising Regulator and employs full-time professional staff in the Development Office to act on its behalf in this area and to ensure that it is compliant with the Code of Fundraising Practice. The College did not receive any complaints relating to its fundraising activities.

## **FINANCIAL REVIEW**

Total income for the year, £16.57 million, was £1.46 million higher than the preceding year, which resulted from increases in charitable activities income (teaching, research and residential) (£1.19 million) and in investment income (£1.61 million), offset by declines in trading income (£0.21 million), donations and legacies (£1.11 million) and other income (£0.02 million). Charitable conference income is included in charitable activities income in 2022-23 whereas it was included in trading income in 2021-22. Total conference income rose by £0.47 million from 2021-22.

Total expenditure was £19.05 million, an increase of £0.07 million. The University Superannuation Scheme (USS) deficit recovery plan liability saw a substantial reduction in the year to £1.85 million (2022: £2.24 million). The Oxford Staff Pension Scheme, following its valuation of March 2022, returned to surplus bringing an end to the deficit recovery contributions resulting in a reduction into the associated pension liability to £0.04 million (2022: £0.86 million). These savings were offset by increases in utility costs (£0.63 million), catering costs (£0.57 million) and maintenance costs (£0.55 million).

Net income showed a deficit of £2.47 million, compared with a deficit of £3.87 million in the preceding year. Net losses on investments were £2.96 million compared to gains of £27.77 million in 2021-22. Total funds and net assets decreased to £358.06 million from £363.49 million.

### **Reserves policy**

The College's reserves policy is to maintain sufficient free reserves to enable it to meet its financial obligations in the event of an unexpected revenue shortfall and to provide a buffer that would ensure uninterrupted services.

Free reserves at the year-end amounted to £8.43 million (2022: £8.23 million), representing net current assets less creditors falling due after more than one year and designated reserve.

The College's target is to maintain free reserves of at least two to four months of expected expenditure. Year-end free reserves represented nearly seven months of expected expenditure.

Total funds of the College and its subsidiaries at the year-end amounted to £358.06 million (2022: £363.49 million). This figure includes endowment funds of £329.59 million and unspent restricted funds totaling £4.97 million. Designated reserves at the year-end comprised of the book value of tangible fixed assets of £16.52 million to be spent over their useful economic lives and £0.44 million representing an unrestricted donation received and designated by the Trustees for a graduate

scholarship to be spent over the next ten to twenty years.

### **Going concern**

The Governing Body has considered whether to adopt the going concern basis in preparing these financial statements. In support of this, it has received several briefings on the College's finances from the Finance Bursar. The College has a healthy cash position, owns substantial endowed resources, enjoys healthy levels of demand from prospective students, and is ready and able to constrain expenditure growth if necessary. The Governing Body is therefore confident that the College has more than adequate resources to continue its activities for the foreseeable future, and considers that there are no uncertainties concerning the College's viability.

### **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 subsidiaries in undertaking their activities. When it is not able to address risk issues using internal resources, the College takes advice from experts external to the College with specialist knowledge. Policies and procedures within the College are reviewed by the relevant College committee. Financial risks are assessed by the Finance Committee and investment risks are monitored by the Investment Sub-Committee. In addition, the Domestic Bursar and domestic staff heads meet regularly to review health and safety issues. Training courses and other forms of career development are available, when requested, to 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 subsidiaries 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 that have been identified are categorised as follows:

- Governance risks – e.g. inappropriate organisational structure, difficulties recruiting trustees with relevant skills, conflict of interest;
- Operational risks- e.g. the impact of the Covid-19 pandemic, 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, data protection law, and regulative requirements of particular activities such as fund-raising.

## **Climate Change**

The College recognises the risks posed by climate change and is taking action across its operations, its estates and its investments to reduce its carbon footprint. During the year, the College established a sustainability working group to assist in the development and implementation of the College's sustainability strategy. The Governing Body accepted the working group's recommendation to adopt the University's target of net zero carbon and biodiversity net gain by 2035. The College has taken a number of steps to enhance sustainability and biodiversity across its activities, including measuring its current impacts, making its buildings more energy efficient, reducing consumption, achieving greater recycling and reducing waste, particularly food waste, and increasing sustainable sourcing. On the College's estates, the College has completed a natural capital and biodiversity audit and is reviewing alternative land use strategies and government schemes to reduce carbon output from farming and develop carbon sequestration where possible. In 2020, the College moved the entirety of its developed market listed equity portfolio to an ESG tilted tracker, thereby reducing the carbon emissions intensity of the portfolio by over 40%. The sustainability working group, alongside the Investment Sub-committee, will be considering further enhancements to the College's investment policy to help achieve the College's sustainability goals. More details of all these initiatives can be found on the College's website.

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

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



The College identifies 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 in its Risk Register, which is regularly reviewed by the Finance Committee and approved by Governing Body. The College is undertaking a review of its risk reporting with the assistance of an external expert in 2023-24. As described above, it is also considering the creation of a new audit committee which will have oversight of the College's risk reporting and audit processes.

### **Investment policy, objectives and performance**

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

- achieving a nominal return on investment sufficient to maintain or increase the real value of the investments and meet the spending objectives of the College; and
- delivering this objective within acceptable levels of risk.

To meet these objectives the College's investments as a whole 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. The College does not use a fixed formal benchmark but compares performance with a wide range of investment indices and investor performance data. The College has made a number of direct and indirect investments that have explicit or implicit socially responsible objectives; its Investment Policy, available on the College's website, includes the College's policy in relation to Socially Responsible Investment.

Investment strategy, policy and performance are monitored by the Finance Committee and its Investment Sub-committee.

At the year end, the College's aggregate long term investments totalled £329.59 million, of which £299.24 million was general endowment and the composition of which is shown in the notes to the financial statements.

The overall total investment return on the general endowment before external expenses was as follows:

#### Annualised total net return (in GBP) %

Merton College	1.6%
Global Equities	7.3%
UK Equities	6.8%
US Equities	7.0%
UK Gilts	-16.0%
UK Index-Linked Gilts	-21.6%

The returns on the general endowment reflect the College's asset allocation, particularly its investment in property which returned 2.0% over the year.

The carrying value of the preserved permanent capital (the trust for investment) and the amount of any unapplied total return available for expenditure was taken as the fair value of these funds as at 1 August 2002 (£88.956 million) together with the original gift value of all subsequent endowment received.

The Governing Body annually reviews the level and appropriateness of the unapplied total return allocated to income including a review of prospective investment returns, inflation and market risks. Any surplus arising during the year is reinvested in the College's general endowment.

On the total return basis of investing, it is the Governing Body's policy to extract as income 3.5% of the value of the relevant investments. However, to smooth and moderate the amounts withdrawn, this 3.5% is calculated on the average of the year-end values in each of the last five years. 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.

## **FUTURE PLANS**

The Governing Body continues to consider how it can achieve the highest outcomes in education, learning and research at national and international level, and continues to review the size and shape of the College and encompassing matters of academic policy, governance and administration. College staff and students continue to contribute to the plan.

The College decided in 2021-22 to proceed with a new library, and has continued to plan for the new library through the course of 2022-23. The College is also undertaking a broader strategic review of its space needs, including student accommodation, teaching space, office space and other needs, which it expects to complete in 2023-24.

Fundraising for the new library continued in 2022-23.

The College commissioned a survey to review the condition of all of its operational buildings and the results of this survey were received in 2023. The survey will inform a rolling ten year maintenance plan to be agreed as part of the budget setting process over the next several years.

The College continues to consider setting-up a pre-school nursery and plans for the nursery will form part of the strategic space review.

## **Admissions**

Undergraduate applicants to Oxford are selected by the individual colleges working within a common framework to ensure that the same standards and practices apply consistently across subjects – see further:

<https://www.ox.ac.uk/admissions/undergraduate/applying-to-oxford/decisions/common-framework>

Overall application numbers across the University in 2022-23 were 23,111, a small decrease from the previous year (23,787).

Merton College received 632 applications, a small decrease from the previous year's figure of 663 applications in 2021-22. 108 offers were made, of which 10 were open offers and four were deferred offers for a 2024 start.

For information on admissions at Merton compared with other colleges, see:

<https://public.tableau.com/profile/sdma.oxford.university#!/>

Data on ethnicity is not available to the College through the UCAS. Analysis is undertaken by the University Admissions Office retrospectively on behalf of all colleges, and can be found at:

<https://www.ox.ac.uk/about/facts-and-figures/admissions-statistics/undergraduate-students/current/ethnicity>

108 applicants to Merton declared a disability in their application, of which 14 received an offer and a further 5 were taken by other colleges.

Postgraduate applicants are assessed by the relevant department or faculty and all those admitted are guaranteed a college place. Merton continues to attract substantially more applicants than it has places available.

Attracting the best students from the widest possible range of backgrounds requires more than financial support. Therefore, in the UK, the College continues to develop its schools liaison programme through a full-time officer, and aims to appeal to all constituencies by improving and enhancing web-based and electronic media and communications. The College continues to develop its recruitment of graduate scholars collaboratively with the academic faculties and departments of the University of Oxford.

## **Chapel**

A scheme to replace the existing single timber lobby with a double glass lobby has been developed and the design has been approved. The work will be undertaken in summer 2024 alongside the installation of heated seating in the chancel.

## **Choral Foundation**

In the coming year, the College Choir will perform Monteverdi's *Vespers of 1610* in Merton College Chapel and will premiere Gabriel Jackson's *The Christmas Story* at St John's Smith Square, London. Further concerts will take place in the Sheldonian Theatre and during the *Passiontide at Merton* festival. The choir will also record for Delphian Records. The Girl Choristers will also appear in the premiere of Jackson's *The Christmas Story*.

## **Capital projects**

Three projects are under development. Planning permission has been obtained for an extension to the boat house. The start was delayed by the need for further ground investigations and should now commence in 2023-24. As mentioned above, plans have been developed to replace the porch at the south entrance to the Chapel.

Finally, as described above, the College is at the early stages of developing a project to construct a new library to replace and expand the facilities in Old Warden's Lodgings which can then be re-purposed. Following a feasibility study and architectural competition, Stanton Williams have been appointed as project architects and commenced the design work in August 2022.

A scheme based on the Rose Lane garden area was developed by the architects and discussed with Historic England and Oxford City Council through a pre-application process. Whilst the authorities liked the design it was thought that the proposed location alongside the City wall and above the Medieval City ditch would cause excessive harm and therefore could not be supported. The College and the architects are now reviewing other options.

Discussions around the Library highlighted the need for the College to consider its space requirements over the medium to long term. A group was set up to conduct a strategic space review and this will report to the College during 2023-24.

## **Trading income**

The T S Eliot Lecture Theatre provides the College with first class facilities that are attractive to third party users. Merton Enterprises Ltd has been able to broaden its customer base following a restructuring of the conference office and proactive marketing of these facilities.

## **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 incoming or outgoing resources 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 departure which are explained in the financial statements; and
- 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 1 November 2023 and signed on its behalf by:

Warden

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GOVERNING BODY OF MERTON COLLEGE**

### **Opinion**

We have audited the financial statements of Merton College (the "Charity") for the year ended 31 July 2023 which comprise the Statement of accounting Policies, the Consolidated Statement of Financial Activities, the Consolidated and College Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and charity's affairs as at 31 July 2023 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 Charity 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 Members of the Governing Body'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's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

## **Other information**

The Members of the Governing Body are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

## **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.



## **Responsibilities of the Members of the Governing Body**

As explained more fully in the Statement of Accounting and Reporting Responsibilities, the Members of the Governing Body 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 they 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 Members of the Governing Body are responsible for assessing the 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 Members of the Governing Body 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 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Mis-statements 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

- we identified the laws and regulations applicable to the charity through discussions with Members of the Governing Body and other management, and from our knowledge and experience of the client's sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including Charities Act 2011, Office for Students and Oxford University requirements, taxation legislation, data protection, employment and pensions, planning and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and, where relevant, inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of Members of Governing Body and other management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations;

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgments and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions;

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;

- enquiring of management as to actual and potential litigation and claims;
- if considered necessary, reviewing correspondence with relevant regulators and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Members of Governing Body and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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](http://www.frc.org.uk/auditorsresponsibilities).

This description forms part of our auditor's report.

## **Use of Our Report**

This report is made solely to the College's Governing Body, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Members of the Governing Body 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 College's Governing Body as a body, for our audit work, for this report, or for the opinions we have formed.

Critchleys Audit LLP

Statutory Auditor

Beaver House, 23-38 Hythe Bridge Street, Oxford OX1 2EP

Date:

Critchleys Audit LLP is eligible to act as an auditor in terms of sections 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 Statement of Cash Flows for the College with its wholly owned subsidiaries Merton Enterprises Limited and Merton College No1 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 permitted by the Charity Commission on a concessionary basis for the filing of consolidated financial statements. A summary of the results and financial position of the charity and its material subsidiaries for the reporting year are in note 13.

### **2. 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 the 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)).

The financial statements have been prepared on a going concern basis and on 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.

### **3. Accounting judgments and estimation of uncertainty**

In preparing financial statements it is necessary to make certain judgments, estimates and assumptions that affect the amounts recognised in the financial statements.

In the view of the Governing Body, in applying the accounting policies adopted, no judgments were required that have a significant effect on the amounts recognised in the financial statements.

In the view of the Governing Body, no assumptions concerning the future or estimation of uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

#### **4. 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.

a. Income from fees, office for student support and other charges for services

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

b. 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 recognized 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.

c. Investment income

Interest on bank balances is accounted for on an accruals 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.

## **5. Expenditure**

Expenditure is accounted for on an accruals basis. A liability and related expenditure is recognized 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 application expenditure categories in the Statement of financial Activities (SOFA).

Support costs which includes governance costs (costs of complying with constitutional and statutory requirements) and other indirect costs are apportioned to expenditure categories in the SOFA based on the estimated amount attributable to that activity in the year, either by reference to staff time or the 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.

## 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 £5,000 together with expenditure on equipment costing more than £5,000 is capitalised.

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. 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, including major extensions	50 years
Building improvements	20 years
Equipment	5 to 10 years

Freehold land is not depreciated. The cost of maintenance is charged in the SOFA in the period in which it is incurred.

At the end of each reporting period, the residual values and useful lives of assets are reviewed and adjusted if necessary. In addition, if events or change in circumstances indicate that the carrying value may not be recoverable then the carrying values of tangible fixed assets are reviewed for impairment.

## 8. Heritage Assets

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 College retains information concerning the cost or value on donation only for some of its heritage assets, but disclosure of this information would not give a fair picture of the total value of heritage assets held. The cost of obtaining fair values for the remaining heritage assets would not be commensurate with the benefits to users of the financial statements. Therefore, no cost or value is reflected in the financial statements for heritage assets.

## 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

### a. Derivatives

The College has not entered into any derivative contracts.

### b. 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.

### c. 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 presentational 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. Total Return investment accounting**

The College statutes authorise the College to adopt a 'total return' basis for the investment of its general endowment. The College can invest its general endowment without regard to the capital/income distinctions of standard trust law and with discretion to apply any part of the accumulated total return on the investment as income for spending each year. Until this power is exercised, the total return is accumulated as a component of the endowment known as the unapplied total return that can be either retained for investment or released to income at the discretion of the Governing Body.

Other endowments are invested with Schroder & Co Ltd and Cerno Capital Partners LLP, which distribute on a total return basis.

## **14. Fund accounting**

The total funds of the College and its subsidiaries are allocated to unrestricted, restricted or endowment funds based on the terms set by the donors or set by the terms of an appeal. 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.

Restricted funds comprise gifts, legacies and grants where the donors have specified that the funds are to be used for particular purposes of the College. 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 or permitted the capital be maintained and with the intention that the income will be used for specific purposes within the College's objects.

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

## **15. Pension costs**

The College participates in the Universities Superannuation Scheme (USS) and the University of Oxford Staff Pension Scheme (OSPS). These schemes are hybrid pension schemes, providing defined benefits as well as benefits based on defined contributions. The assets of each scheme are held in a separate trustee-administered fund. Because of the mutual nature of the schemes, the assets are not attributed to individual employers and scheme-wide contribution rates are set. The College is therefore exposed to actuarial risks associated with other employers' employees and is unable to identify its share of the underlying assets and liabilities of the schemes on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the College therefore accounts for the schemes as if they were wholly defined contribution schemes. As a result, the amount charged to the profit and loss account represents the contributions payable to each scheme.

Since the College has entered into agreements (the Recovery Plans) that determine how each employer within the schemes will fund the overall deficit, the College recognises a liability for the contributions payable that arise from the agreements (to the extent that they relate to the deficit) with related expenses being recognised through the profit and loss account.

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control such as the Universities Superannuation Scheme and OSPS. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in profit or loss in accordance with section 28 of FRS 102. The Trustees are satisfied that USS and OSPS meet the definition of a multi-employer scheme and the College has therefore recognised the discounted fair value of the contractual contributions under the recovery plan in existence at the date of approving these financial statements.

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

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2023 Total £'000	2022 Total £'000
<b>INCOME AND ENDOWMENTS FROM:</b>						
Charitable activities:	1					
Teaching, research and residential		6,652	6	-	<b>6,658</b>	5,468
Other Trading Income	3	493	-	-	<b>493</b>	672
Donations and legacies	2	334	1,284	316	<b>1,934</b>	3,053
Investments						
Investment income	4	9	1,295	6,177	<b>7,481</b>	5,895
Total return allocated to income	14	9,229	-	(9,229)	<b>-</b>	-
Other income		2	-	6	<b>8</b>	24
<b>Total income</b>		<b>16,719</b>	<b>2,585</b>	<b>(2,730)</b>	<b>16,574</b>	15,112
<b>EXPENDITURE ON:</b>						
Charitable activities:	5					
Teaching, research and residential		14,554	1,601	10	<b>16,165</b>	16,011
Generating funds:						
Fundraising		565	-	-	<b>565</b>	696
Trading expenditure		467	-	-	<b>467</b>	464
Investment management costs		-	-	1,850	<b>1,850</b>	1,810
<b>Total Expenditure</b>		<b>15,586</b>	<b>1,601</b>	<b>1,860</b>	<b>19,047</b>	18,981
<b>Net Income/(Expenditure) before gains</b>		<b>1,133</b>	<b>984</b>	<b>(4,590)</b>	<b>(2,473)</b>	<b>(3,869)</b>
Net gains/(losses) on investments	11, 12	-	12	(2,973)	(2,961)	27,766
<b>Net Income/(Expenditure)</b>		<b>1,133</b>	<b>996</b>	<b>(7,563)</b>	<b>(5,434)</b>	23,897
Transfers between funds	17	130	(130)	-	-	-
<b>Net movement in funds for the year</b>		<b>1,263</b>	<b>866</b>	<b>(7,563)</b>	<b>(5,434)</b>	23,897
Fund balances brought forward	17	<b>22,236</b>	<b>4,103</b>	<b>337,156</b>	<b>363,495</b>	339,597
<b>Funds carried forward at 31 July</b>		<b>23,499</b>	<b>4,969</b>	<b>329,593</b>	<b>358,061</b>	363,494

**Merton College**  
**Consolidated and College Balance Sheets**  
**As at 31 July 2023**

	Notes	2023 Group £'000	2022 Group £'000	2023 College £'000	2022 College £'000
<b>FIXED ASSETS</b>					
Tangible assets	9	16,519	16,667	16,519	16,667
Property investments	11	152,272	153,078	142,777	143,583
Other Investments	12	182,289	188,180	191,792	197,706
<b>Total Fixed Assets</b>		<b>351,080</b>	357,925	<b>351,088</b>	357,956
<b>CURRENT ASSETS</b>					
Stocks		515	412	393	378
Debtors	15	1,898	1,451	2,158	1,503
Cash at bank and in hand		8,059	9,102	7,594	8,830
<b>Total Current Assets</b>		<b>10,472</b>	10,965	<b>10,145</b>	10,711
<b>LIABILITIES</b>					
Creditors: Amounts falling due within one year	16	1,602	2,296	1,419	2,180
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<b>8,870</b>	<b>8,669</b>	<b>8,726</b>	<b>8,531</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>359,950</b>	<b>366,594</b>	<b>359,814</b>	<b>366,487</b>
<b>NET ASSETS/(LIABILITIES) BEFORE PENSION ASSET OR LIABILITY</b>					
		<b>359,950</b>	<b>366,594</b>	<b>359,814</b>	<b>366,487</b>
Defined benefit pension scheme liability	21	1,888	3,100	1,888	3,100
<b>TOTAL NET ASSETS/(LIABILITIES)</b>		<b>358,061</b>	<b>363,494</b>	<b>357,926</b>	<b>363,387</b>
<b>FUNDS OF THE COLLEGE</b>					
<b>Endowment funds</b>		<b>329,592</b>	337,155	<b>329,525</b>	337,110
<b>Restricted funds</b>		<b>4,969</b>	4,103	<b>4,969</b>	4,103
<b>Unrestricted funds</b>					
General funds		8,425	8,225	8,357	8,163
Fixed Asset fund		16,519	16,667	16,519	16,667
Graduate Scholarship Fund		444	444	444	444
Pension reserve	21	(1,888)	(3,100)	(1,888)	(3,100)
		<b>358,061</b>	363,494	<b>357,926</b>	363,387

The financial statements were approved and authorised for issue by the Governing Body of Merton College on

Trustee:

Trustee:

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

	Notes	2023 £'000	2022 £'000
<b>Net cash provided by (used in) operating activities</b>	23	<b>(11,569)</b>	<b>(8,337)</b>
<b>Cash flows from investing activities</b>			
Dividends, interest and rents from investments		7,481	5,895
Proceeds from the sale of property, plant and equipment		30	12
Purchase of property, plant and equipment		(1,040)	(895)
Proceeds from sale of investments		9,307	46,707
Purchase of investments		(1,766)	(24,878)
<b>Net cash provided by (used in) investing activities</b>		<b>14,012</b>	<b>26,841</b>
<b>Cash flows from financing activities</b>			
Receipt of endowment		316	1,592
<b>Net cash provided by (used in) financing activities</b>		<b>316</b>	<b>1,592</b>
<b>Change in cash and cash equivalents in the reporting period included in creditors due to University</b>		<b>2,759</b>	<b>20,096</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b>30,723</b>	<b>10,627</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	24	<b>33,485</b>	<b>30,723</b>

**Merton College**  
**Notes to the financial statements**  
**For the year ended 31 July 2023**

**1 INCOME FROM CHARITABLE ACTIVITIES**

	<b>2023</b>	2022
	<b>£'000</b>	£'000
<b>Teaching, Research and Residential</b>		
Unrestricted funds		
Tuition fees - UK and EU students	1,417	1,405
Tuition fees - Overseas students	1,072	926
Other Office for Students support	263	251
Other academic income	168	165
College residential income	<u>3,732</u>	<u>2,721</u>
	<b>6,652</b>	5,468
Restricted funds		
College residential income	<u>6</u>	-
	<b>6</b>	-
<b>Total Teaching, Research and Residential</b>	<b>6,658</b>	<b>5,468</b>
<b>Total income from charitable activities</b>	<b>6,658</b>	<b>5,468</b>

The above analysis includes £2,751k received from Oxford University from publicly accountable funds under the CFF Scheme (2022: £2,582k).

To Support the strategic priority to fund more graduate scholars and to enable outstanding students to take up their places regardless of their financial position, for graduates students with overseas fee status funded through the Clarendon or UKRI scholarship funding schemes, the college shares of the fees waived amounted to £28k (2022: £0k). These are not included in the fee income reported above.

**2 DONATIONS AND LEGACIES**

	<b>2023</b>	2022
	<b>£'000</b>	£'000
<b>Donations and Legacies</b>		
Unrestricted funds	<b>334</b>	256
Restricted funds	<b>1,284</b>	1,205
Endowed funds	<b>316</b>	1,592
	<b>1,934</b>	3,053

**3 INCOME FROM OTHER TRADING ACTIVITIES**

	<b>2023</b>	2022
	<b>£'000</b>	£'000
Subsidiary company trading income	<b>467</b>	328
Other trading income	<b>26</b>	344
	<b>493</b>	672

**4 INVESTMENT INCOME**

	<b>2023</b>	2022
	<b>£'000</b>	£'000
<i>Unrestricted funds</i>		
Bank interest	<u>9</u>	<u>1</u>
	<b>9</b>	1
<i>Restricted funds</i>		
Equity dividends	1,265	1,179
Interest on fixed term deposits and cash	30	1
	<b>1,295</b>	1,180
<i>Endowed funds</i>		
Agricultural rent	1,198	1,237
Commercial rent	1,920	1,706
Other property income	657	613
Equity dividends	1,419	1,018
Income from fixed interest stocks	119	53
Interest on fixed term deposits and cash	823	79
Other investment income	20	8
Bank interest	<u>21</u>	<u>-</u>
	<b>6,177</b>	4,714
<b>Total Investment income</b>	<b>7,481</b>	<b>5,895</b>

**5 ANALYSIS OF EXPENDITURE**

	<b>2023</b>	2022
	<b>£'000</b>	£'000
<b>Charitable expenditure</b>		
Direct staff costs allocated to:		
Teaching, research and residential	6,294	8,428
Other direct costs allocated to:		
Teaching, research and residential	7,349	5,243
Support and governance costs allocated to:		
Teaching, research and residential	2,522	2,340
<b>Total charitable expenditure</b>	<b>16,165</b>	<b>16,011</b>
<b>Expenditure on raising funds</b>		
Direct staff costs allocated to:		
Fundraising	362	463
Investment management costs	328	425
Other direct costs allocated to:		
Fundraising	155	143
Trading expenditure	467	464
Investment management costs	1,496	1,341
Support and governance costs allocated to:		
Fundraising	48	90
Investment management costs	26	44
<b>Total expenditure on raising funds</b>	<b>2,882</b>	<b>2,970</b>
<b>Total expenditure</b>	<b>19,047</b>	<b>18,981</b>

The 2022 resources expended of £18,981k represented £15,487k from unrestricted funds, £1,439k from restricted funds and £2,055k from endowed funds.

The College is liable to be assessed for Contribution under the provisions of Statute XV of the University of Oxford. The Contribution Fund is used to make grants and loans to colleges on the basis of need. Contributions are 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 £328k (2022 - £302k).

**6 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS**

	Generating Funds £'000	Teaching and Research £'000	<b>2023</b> <b>Total</b> <b>£'000</b>	Generating Funds £'000	Teaching and Research £'000	<b>2022</b> <b>Total</b> <b>£'000</b>
Financial administration	13	231	<b>244</b>	16	280	<b>296</b>
Domestic administration	7	122	<b>129</b>	8	144	<b>152</b>
Human resources	24	398	<b>422</b>	16	243	<b>259</b>
IT	26	458	<b>484</b>	28	488	<b>516</b>
Depreciation	-	1,167	<b>1,167</b>	63	1,117	<b>1,180</b>
Loss/(profit) on fixed assets	-	(10)	<b>(10)</b>	-	(3)	<b>(3)</b>
Bank interest payable	3	-	<b>3</b>	-	-	<b>-</b>
Other finance charges	1	122	<b>123</b>	3	40	<b>43</b>
Governance costs	-	34	<b>34</b>	-	31	<b>31</b>
	<b>74</b>	<b>2,522</b>	<b>2,596</b>	<b>134</b>	<b>2,340</b>	<b>2,474</b>

Financial and domestic administration, IT and human resources costs are attributed according to the estimated staff time spent on each activity. Depreciation costs and profit or loss on disposal of fixed assets are attributed according to the use made of the underlying assets. Interest and other finance charges are attributed according to the purpose of the related financing. Governance costs are attributed according to the estimated staff time spent on each activity.

	<b>2023</b>	2022
	<b>£'000</b>	£'000
<b>Governance costs comprise:</b>		
Auditor's remuneration - audit services	<b>28</b>	24
Auditor's remuneration - tax advisory services	-	-
Other governance costs	<b>6</b>	7
	<b>34</b>	<b>31</b>

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.



**Merton College**  
**Notes to the financial statements**  
**For the year ended 31 July 2023**

<b>7 GRANTS AND AWARDS</b>	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>

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

**Unrestricted funds**

Grants to individuals:

Scholarships, prizes and grants

**557** 597

Bursaries and hardship awards

**10** 4

**Total unrestricted**

**567** **601**

**Restricted funds**

Grants to individuals:

Scholarships, prizes and grants

**706** 424

Bursaries and hardship awards

**236** 210

Grants to other institutions

- 5

**Total restricted**

**942** **639**

**Endowed funds**

Grants to other institutions

**10** 245

**Total restricted**

**10** **245**

**Total grants and awards**

**1,519** **1,485**

**8 STAFF COSTS**

The aggregate staff costs for the year were as follows.

**2023** 2022  
**£'000** **£'000**

Salaries and wages

**6,859** 6,805

Social security costs

**714** 648

Pension costs:

Continuation charges

**1,144** 1,060

Pension Provision Change (see note 21)

**(1,314)** 1,252

Other benefits

**291** 248

**7,694** **10,013**

The average number of employees of the College, excluding Trustees, on a full time equivalent basis was as follows.

**2023** 2022

Tuition and research

**42** 39

College residential

**90** 81

Fundraising

**7** 6

Support

**14** 12

Total

**153** **138**

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

University Lecturers

**20** 22

CUF Lecturers

**8** 7

Other teaching and research

**15** 14

Other

**10** 10

Total

**53** **53**

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.

The following information relates to the employees of the College excluding the College Trustees. Details of the remuneration and reimbursed expenses of the College Trustees is included as a separate note in these financial statements.

The number of employees (excluding the College Trustees) during the year whose gross pay and benefits (excluding employer NI and pension contributions) fell within the following bands was:

£60,001-£70,000

- -

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

In defined benefits schemes

- -

**9 TANGIBLE FIXED ASSETS**

College and Group	Freehold land and buildings £'000	Fixtures, fittings and equipment £'000	Total £'000
<b>Cost</b>			
At start of year	32,589	3,307	<b>35,896</b>
Additions	827	214	<b>1,041</b>
Disposals	-	(97)	<b>(97)</b>
<b>At end of year</b>	<b>33,416</b>	<b>3,424</b>	<b>36,840</b>
<b>Depreciation and impairment</b>			
At start of year	16,780	2,449	<b>19,229</b>
Depreciation charge for the year	985	183	<b>1,168</b>
Depreciation on disposals	-	(76)	<b>(76)</b>
Impairment	-	-	<b>-</b>
<b>At end of year</b>	<b>17,765</b>	<b>2,556</b>	<b>20,321</b>
<b>Net book value</b>			
<b>At end of year</b>	<b>15,651</b>	<b>868</b>	<b>16,519</b>
At start of year	15,809	858	<b>16,667</b>

The College has substantial long-held historic assets all of which are used in the course of the College's teaching and research activities. These comprise listed buildings on the College site, together with their contents comprising works of art, ancient books and manuscripts and other treasured artefacts. Because of their age and, in many cases, unique nature, reliable historical cost information is not available for these assets and could not be obtained except at disproportionate expense. However, in the opinion of the Trustees the depreciated historical cost of these assets is now immaterial.

**10 HERITAGE ASSETS**

The heritage assets held by the college comprise medieval manuscript books (327); medieval and early modern records of the college and its estates dating from the twelfth century (c10,000 pre-1800 items including deeds, surveys, court rolls, maps, and various other records); rare printed books (15th-19th centuries: c14,000; 20th-21st century: 3,500 rare editions and special copies); collections of personal papers (21 mixed-media collections); early astronomical instruments (5); 18th century globes (2); paintings, prints, and drawings (359); sculpture (23); historic table and chapel silver (16); miscellaneous historic furnishings (e.g. chests, clocks etc). Most new acquisitions are by gift or bequest. Criteria for decisions on whether to acquire heritage items include complementarity with existing collections, the intellectual appropriateness of the college as repository, and the ability of the college to house the collection appropriately and make it available to researchers. The college does not dispose of heritage assets.

Heritage assets are managed by the Fellow Librarian and the Domestic Bursar under the oversight of the Library and Archives Committee and the Sub-Committee on Pictures and Historic Chattels. There are three full-time professional librarians and a professional archivist is employed three days per week. The college is a member of the Oxford Conservation Consortium which employs four accredited conservators and four working towards accreditation, who provide preservation expertise and treatment of individual items. Specialist advice is sought when needed. Heritage items are housed in a number of locations throughout the college with special security, fire detection and fire suppression in the main storage areas. The environments of storage areas and rooms housing significant assets are regularly monitored and managed under the guidelines in PAS 198:2012 Specification for managing environmental conditions for cultural collections.

Records of heritage assets are held in a combination of electronic and hard-copy formats. These are freely available for research consultation either online or on site. The college maintains a programme of exhibitions onsite and loans items for display in the context of public exhibitions in the UK and abroad.

Various heritage assets have been acquired during the last five years including purchases amounting to £25.1k (excluding the portrait of Stuart Hall) in the current year (2022: £21.1k).

## 11 PROPERTY INVESTMENTS

Group	Agricultural £'000	Commercial £'000	Other £'000	2023 Total £'000	2022 Total £'000
Valuation at start of year	87,357	45,687	20,034	153,078	147,357
Additions and improvements at cost	573	107	33	713	197
Disposals	-	(336)	(492)	(828)	(12,581)
Revaluation gains/(losses) in the year	747	(1,058)	(380)	(691)	18,105
<b>Valuation at end of year</b>	<b>88,677</b>	<b>44,400</b>	<b>19,195</b>	<b>152,272</b>	<b>153,078</b>
<b>College</b>	<b>Agricultural £'000</b>	<b>Commercial £'000</b>	<b>Other £'000</b>	<b>2023 Total £'000</b>	<b>2022 Total £'000</b>
Valuation at start of year	87,357	36,192	20,034	143,583	137,862
Additions and improvements at cost	573	107	33	713	197
Disposals	-	(336)	(492)	(828)	(12,581)
Revaluation gains/(losses) in the year	747	(1,058)	(380)	(691)	18,105
<b>Valuation at end of year</b>	<b>88,677</b>	<b>34,905</b>	<b>19,195</b>	<b>142,777</b>	<b>143,583</b>

Estates land and property valuations as at 31 July have been made by the College Land Agent, a Chartered Surveyor, in consultation with an independent firm of Chartered Surveyors, the basis of valuation being market valuation. In a small number of cases valuations have been made solely by the Land Agent, the basis of valuation being market valuation.

## 12 OTHER INVESTMENTS

All investments are held at fair value.

	2023 £'000	2022 £'000
<b>Group investments</b>		
Valuation at start of year	188,180	169,792
New money invested	14,978	24,641
Amounts withdrawn	(18,598)	(15,914)
(Decrease)/increase in value of investments	(2,271)	9,661
<b>Group investments at end of year</b>	<b>182,289</b>	<b>188,180</b>
Investment in subsidiaries	9,514	9,514
plus: cash reserves within subsidiaries included in group figures above	(11)	12
<b>College investments at end of year</b>	<b>191,792</b>	<b>197,706</b>

College investments comprise:	Held outside the UK £'000	Held in the UK £'000	2023 Total £'000	Held outside the UK £'000	Held in the UK £'000	2022 Total £'000
Equity investments	-	80,994	80,994	-	77,133	77,133
Global multi-asset funds	-	31,013	31,013	-	32,376	32,376
Fixed interest stocks	-	8,710	8,710	-	10,662	10,662
Alternative and other investments	24,079	12,067	36,146	28,795	12,968	41,763
Fixed term deposits and cash	9,679	15,746	25,425	5,759	15,862	21,621
Proceeds due from disposal of property	-	-	-	-	4,625	4,625
<b>Total college investments</b>	<b>33,758</b>	<b>148,530</b>	<b>182,288</b>	<b>34,554</b>	<b>153,626</b>	<b>188,180</b>

### 13 PARENT AND SUBSIDIARY UNDERTAKINGS

The College holds 100% of the issued share capital in Merton Enterprises Limited, a company providing conference and other event services on the College premises, and 100% of the issued share capital in Merton College No. 1 Limited, an investment property company.

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

	2023 Parent College £'000	2023 Merton Enterprises Limited £'000	2023 Merton No. 1 Limited £'000	2022 Parent College £'000	2022 Merton Enterprises Limited £'000	2022 Merton No. 1 Limited £'000
Income	16,037	472	111	14,441	328	93
Expenditure	(18,537)	(405)	(43)	(18,801)	(266)	(47)
Donation to College under gift aid	-	-	-	-	-	-
Result for the year	(2,500)	67	68	(4,360)	62	46
Total assets	361,233	611	9,598	368,667	381	9,557
Total liabilities	(3,307)	(468)	(92)	(5,280)	(243)	(73)
Net funds at the end of year	357,926	143	9,506	363,387	138	9,484

### 14 STATEMENT OF INVESTMENT TOTAL RETURN

The Trustees have adopted a policy of total return accounting for the College general endowment investment returns with effect from 1 August 2013. The investment return to be applied as income is calculated as 3.5% of the average closing value of the investments in each of the last five years.

The amount applied as income for spending is included within the income section of the SOFA on the basis that this gives a clearer understanding of the financial position of the College. The preserved value of the invested endowment capital represents its open market value in 2002 together with all subsequent endowments valued at the date of the gift.

	Trust for Investment £'000	General Endowment Unapplied Total Return £'000	Total £'000	Restricted Endowments Total £'000	Total Endowments £'000
<b>At the beginning of the year:</b>					
Gift component of the permanent endowment	88,957	-	88,957	-	88,957
Unapplied total return	-	216,399	216,399	-	216,399
Restricted endowment funds	-	-	-	31,799	31,799
<b>Total Endowments</b>	<b>88,957</b>	<b>216,399</b>	<b>305,356</b>	<b>31,799</b>	<b>337,155</b>
<b>Movements in the reporting period:</b>					
Gift of endowment funds	-	-	-	316	316
Investment return: total investment income	-	6,183	6,183	-	6,183
Investment return: realised and unrealised gains and losses	-	(1,220)	(1,220)	(1,753)	(2,973)
Less: Investment management costs	-	(1,850)	(1,850)	(10)	(1,860)
Other transfers	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>3,113</b>	<b>3,113</b>	<b>(1,447)</b>	<b>1,666</b>
Unapplied total return allocated to income in the reporting period	-	(9,229)	(9,229)	-	(9,229)
Expendable endowments transferred to income	-	(9,229)	(9,229)	-	(9,229)
<b>Net movements in reporting period</b>	<b>-</b>	<b>(6,116)</b>	<b>(6,116)</b>	<b>(1,447)</b>	<b>(7,563)</b>
<b>At end of the reporting period:</b>					
Gift component of the permanent endowment	88,957	-	88,957	-	88,957
Unapplied total return	-	210,283	210,283	-	210,283
Expendable endowment	-	-	-	30,352	30,352
<b>Total Endowments</b>	<b>88,957</b>	<b>210,283</b>	<b>299,240</b>	<b>30,352</b>	<b>329,592</b>

**Merton College**  
**Notes to the financial statements**  
**For the year ended 31 July 2023**

**15 DEBTORS**

	<b>2023</b>	2022	<b>2023</b>	2022
	<b>Group</b>	Group	<b>College</b>	College
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
<b>Amounts falling due within one year:</b>				
Trade debtors	<b>554</b>	512	<b>468</b>	417
Amounts owed by College members	<b>1</b>	38	<b>1</b>	38
Amounts owed by Group undertakings	-	-	<b>374</b>	147
Loans repayable within one year	<b>13</b>	11	<b>13</b>	11
Prepayments and accrued income	<b>1,320</b>	890	<b>1,292</b>	890
Other debtors	<b>10</b>	-	<b>10</b>	-
<b>Amounts falling due after more than one year:</b>				
Other debtors	-	-	-	-
	<b>1,898</b>	1,451	<b>2,158</b>	1,503

**16 CREDITORS: falling due within one year**

	<b>2023</b>	2022	<b>2023</b>	2022
	<b>Group</b>	Group	<b>College</b>	College
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Trade creditors	<b>243</b>	1,004	<b>202</b>	1,004
Amounts owed to College Members	<b>77</b>	5	<b>77</b>	5
Amounts owed to Group undertakings	-	-	-	54
Taxation and social security	<b>81</b>	182	<b>43</b>	24
Accruals and deferred income	<b>1,027</b>	750	<b>927</b>	738
Other creditors	<b>174</b>	355	<b>170</b>	355
	<b>1,602</b>	2,296	<b>1,419</b>	2,180

**17 ANALYSIS OF MOVEMENTS ON FUNDS**

	At 1 August 2022 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2023 £'000
<b>Endowment Funds - Permanent</b>						
General Endowment	305,311	6,118	(1,806)	(9,229)	(1,219)	<b>299,175</b>
<b>Fellowship and tutorship Funds:</b>						
Baker Tutorial Support	880	73	-	-	(46)	<b>907</b>
Peter Braam Research Fellow	1,417	-	-	-	(77)	<b>1,340</b>
Chemistry Tutor	925	-	-	-	(47)	<b>878</b>
English Tutor	1,370	2	-	-	(70)	<b>1,302</b>
Law Tutor	614	3	-	-	(27)	<b>590</b>
Philosophy Tutor	1,199	1	-	-	(63)	<b>1,137</b>
Jessica Rawson Modern Asian History Tutor	1,060	-	-	-	(56)	<b>1,004</b>
Regius Professorship	-	10	(10)	-	-	-
Mark Reynolds History Tutor	1,914	-	-	-	(102)	<b>1,812</b>
<b>Graduate Scholarship Funds:</b>						
Ripplewood Japanese Scholar	637	-	-	-	(36)	<b>601</b>
Peter Braam Scholar	425	-	-	-	(23)	<b>402</b>
John Barton BCL Scholar	149	-	-	-	(8)	<b>141</b>
Christopher Duggan Scholar	639	-	-	-	(69)	<b>570</b>
Roger Highfield Scholar	611	6	-	-	(28)	<b>589</b>
Charles Manby Scholar	488	-	-	-	(26)	<b>462</b>
Moussouris Rhodes Scholar	867	-	-	-	(46)	<b>821</b>
Other	101	-	-	-	(5)	<b>96</b>
<b>Student Support Funds:</b>						
Taylor Family Foundation	655	-	-	-	(35)	<b>620</b>
Reed Rubin Directors of music	764	-	-	-	(41)	<b>723</b>
Other	69	-	-	-	(4)	<b>65</b>
	<b>320,095</b>	<b>6,213</b>	<b>(1,816)</b>	<b>(9,229)</b>	<b>(2,028)</b>	<b>313,235</b>

**Merton College**  
**Notes to the financial statements**  
**For the year ended 31 July 2023**

**Endowment Funds - Expendable**

**Tutorship Funds:**

Dominic Welsh Mathematics Tutor	1,226	-	-	-	(66)	<b>1,160</b>
Douglas Algar Humanities Tutor	885	-	-	-	(47)	<b>838</b>
Economics Tutor	1,027	-	-	-	(53)	<b>974</b>
David Hay Medical Tutor	408	-	-	-	(22)	<b>386</b>
Christine Blackwell Classics Tutor	1,819	-	-	-	(92)	<b>1,727</b>
Library Fellowship	-	100	-	-	-	<b>100</b>

**Graduate Scholarship and Student Prize Funds:**

James Jackson Natural Sciences Scholar	821	-	-	-	(49)	<b>772</b>
David Stevens International Development Scho	461	-	-	-	(25)	<b>436</b>
Merton Lawyers BCL/Mjur Scholar	389	-	-	-	(21)	<b>368</b>
Merton-Oxford Scholar	571	2	-	-	(38)	<b>535</b>
Monica Barnett Law Scholar	166	-	-	-	(9)	<b>157</b>
John Moussouris Mathematics Scholar	663	-	-	-	(36)	<b>627</b>
Stringer Scholar	541	-	-	-	(29)	<b>512</b>
Other	128	8	-	-	(8)	<b>128</b>

**Student Support Funds:**

General Student Support	2,392	17	-	-	(125)	<b>2,284</b>
Howard Stringer Undergraduate Support	1,234	-	-	-	(66)	<b>1,168</b>
Undergraduate Student Support	807	64	-	-	(39)	<b>832</b>
John Roberts	586	1	-	-	(31)	<b>556</b>
Thomas Bowman	325	-	-	-	(20)	<b>305</b>
Gerald David Clayton	816	-	-	-	(44)	<b>772</b>
Aruna & Arijit Chakraverty Bursaries	-	20	-	-	-	<b>20</b>
Choral Foundation	941	8	-	-	(49)	<b>900</b>
Compassionate Fund	356	-	-	-	(20)	<b>336</b>
Fitzhenry Biomedical Research Fund	151	-	-	-	(9)	<b>142</b>
Other Funds	302	-	-	-	(47)	<b>255</b>

17,015	220	-	-	(945)	16,290
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**Total Endowment Funds - College**

337,110	6,433	(1,816)	(9,229)	(2,973)	329,525
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Endowment funds held by subsidiaries

45	66	(44)	-	-	<b>67</b>
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**Total Endowment Funds - Group**

337,155	6,499	(1,860)	(9,229)	(2,973)	<b>329,592</b>
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**Restricted Funds**

Building Projects	800	343	-	(3)	37	<b>1,177</b>
Fellowship and Tutorship funds	495	634	(484)	-	(4)	<b>641</b>
Graduate scholarship and student prize funds	1,251	827	(525)	-	-	<b>1,553</b>
StudentsSupport funds	891	296	(313)	-	(21)	<b>853</b>
Choir	308	273	(191)	(66)	-	<b>324</b>
Other funds	358	212	(88)	(61)	-	<b>421</b>

**Total Restricted Funds - College**

4,103	2,585	(1,601)	(130)	12	<b>4,969</b>
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Restricted funds held by subsidiaries

-	-	-	-	-	-
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**Total Restricted Funds - Group**

4,103	2,585	(1,601)	(130)	12	<b>4,969</b>
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**Unrestricted Funds**

General funds	8,163	7,018	(16,331)	9,508	-	<b>8,358</b>
Fixed Asset fund	16,667	-	-	(148)	-	<b>16,519</b>
Aidan Jenkins graduate scholarship fund	444	-	-	-	-	<b>444</b>
Pension reserve	(3,100)	-	1,212	-	-	<b>(1,888)</b>

**Total Unrestricted Funds - College**

22,174	7,018	(15,119)	9,360	-	23,433
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Unrestricted funds held by subsidiaries

62	472	(467)	-	-	<b>67</b>
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**Total Unrestricted Funds - Group**

22,236	7,490	(15,586)	9,360	-	23,500
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**Total Funds**

363,494	16,574	(19,047)	-	(2,961)	<b>358,061</b>
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**Merton College**  
**Notes to the financial statements**  
**For the year ended 31 July 2023**

	At 1 August 2021 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2022 £'000
<b>Endowment Funds - Permanent</b>						
General Endowment	281,216	5,434	(1,768)	(8,659)	29,088	<b>305,311</b>
<b>Fellowship and tutorship Funds:</b>						
Baker Tutorial Support	603	290	-	-	(13)	<b>880</b>
Peter Braam Research Fellow	1,473	-	-	-	(56)	<b>1,417</b>
Chemistry Tutor	960	-	-	-	(35)	<b>925</b>
English Tutor	1,420	1	-	-	(51)	<b>1,370</b>
Law Tutor	631	3	-	-	(20)	<b>614</b>
Philosophy Tutor	1,245	-	-	-	(46)	<b>1,199</b>
Jessica Rawson Modern Asian History Tutor	1,101	-	-	-	(41)	<b>1,060</b>
Regius Professorship	195	50	(245)	-	-	<b>-</b>
Mark Reynolds History Tutor	1,988	-	-	-	(74)	<b>1,914</b>
<b>Graduate Scholarship Funds:</b>						
Ripplewood Japanese Scholar	663	-	-	-	(26)	<b>637</b>
Peter Braam Scholar	442	-	-	-	(17)	<b>425</b>
John Barton BCL Scholar	155	-	-	-	(6)	<b>149</b>
Christopher Duggan Scholar	682	-	-	-	(43)	<b>639</b>
Roger Highfield Scholar	626	5	-	-	(20)	<b>611</b>
Charles Manby Scholar	507	-	-	-	(19)	<b>488</b>
Moussouris Rhodes Scholar	901	-	-	-	(34)	<b>867</b>
Other	99	5	-	-	(3)	<b>101</b>
<b>Student Support Funds:</b>						
Taylor Family Foundation	681	-	-	-	(26)	<b>655</b>
Reed Rubin Directors of music	794	-	-	-	(30)	<b>764</b>
Other	72	-	-	-	(3)	<b>69</b>
	<b>296,454</b>	<b>5,788</b>	<b>(2,013)</b>	<b>(8,659)</b>	<b>28,525</b>	<b>320,095</b>
<b>Endowment Funds - Expendable</b>						
<b>Tutorship Funds:</b>						
Dominic Welsh Mathematics Tutor	1,274	-	-	-	(48)	<b>1,226</b>
Douglas Algar Humanities Tutor	920	-	-	-	(35)	<b>885</b>
Economics Tutor	1,066	-	-	-	(39)	<b>1,027</b>
David Hay Medical Tutor	424	-	-	-	(16)	<b>408</b>
Christine Blackwell Classics Tutor	1,886	-	-	-	(67)	<b>1,819</b>
<b>Graduate Scholarship and Student Prize Funds:</b>						
James Jackson Natural Sciences Scholar	857	-	-	-	(36)	<b>821</b>
David Stevens International Development Scho	479	-	-	-	(18)	<b>461</b>
Merton Lawyers BCL/Mjur Scholar	404	-	-	-	(15)	<b>389</b>
Merton-Oxford Scholar	-	580	-	-	(9)	<b>571</b>
Monica Barnett Law Scholar	173	-	-	-	(7)	<b>166</b>
John Moussouris Mathematics Scholar	689	-	-	-	(26)	<b>663</b>
Stringer Scholar	-	580	-	-	(39)	<b>541</b>
Other	125	9	-	-	(6)	<b>128</b>
<b>Student Support Funds:</b>						
General Student Support	2,467	15	-	-	(90)	<b>2,392</b>
Howard Stringer Undergraduate Support	1,282	-	-	-	(48)	<b>1,234</b>
Undergraduate Student Support	780	52	-	-	(25)	<b>807</b>
John Roberts	608	-	-	-	(22)	<b>586</b>
Thomas Bowman	340	-	-	-	(15)	<b>325</b>
Gerald David Clayton	848	-	-	-	(32)	<b>816</b>
Choral Foundation	974	2	-	-	(35)	<b>941</b>
Compassionate Fund	370	-	-	-	(14)	<b>356</b>
Fitzhenry Biomedical Research Fund	157	-	-	-	(6)	<b>151</b>
Other Funds	329	-	-	-	(27)	<b>302</b>
	<b>16,452</b>	<b>1,238</b>	<b>-</b>	<b>-</b>	<b>(675)</b>	<b>17,015</b>
<b>Total Endowment Funds - College</b>	<b>312,906</b>	<b>7,026</b>	<b>(2,013)</b>	<b>(8,659)</b>	<b>27,850</b>	<b>337,110</b>
Endowment funds held by subsidiaries	813	(720)	(42)	(6)	-	<b>45</b>
<b>Total Endowment Funds - Group</b>	<b>313,719</b>	<b>6,306</b>	<b>(2,055)</b>	<b>(8,665)</b>	<b>27,850</b>	<b>337,155</b>

**Merton College**  
**Notes to the financial statements**  
**For the year ended 31 July 2023**

<b>Restricted Funds</b>						
Building Projects	495	468	(3)	(95)	(65)	<b>800</b>
Fellowship and Tutorship funds	487	593	(582)	-	(3)	<b>495</b>
Graduate scholarship and student prize funds	1,042	599	(357)	(33)	-	<b>1,251</b>
StudentsSupport funds	871	284	(248)	-	(16)	<b>891</b>
Choir	193	249	(134)	-	-	<b>308</b>
Other funds	342	192	(115)	(61)	-	<b>358</b>
<b>Total Restricted Funds - College</b>	<b>3,430</b>	<b>2,385</b>	<b>(1,439)</b>	<b>(189)</b>	<b>(84)</b>	<b>4,103</b>
Restricted funds held by subsidiaries	-	-	-	-	-	-
<b>Total Restricted Funds - Group</b>	<b>3,430</b>	<b>2,385</b>	<b>(1,439)</b>	<b>(189)</b>	<b>(84)</b>	<b>4,103</b>
<b>Unrestricted Funds</b>						
General funds	6,852	6,093	(13,930)	9,148	-	<b>8,163</b>
Fixed Asset fund	16,961	-	-	(294)	-	<b>16,667</b>
Aidan Jenkins graduate scholarship fund	444	-	-	-	-	<b>444</b>
Pension reserve	(1,831)	-	(1,269)	-	-	<b>(3,100)</b>
<b>Total Unrestricted Funds - College</b>	<b>22,426</b>	<b>6,093</b>	<b>(15,199)</b>	<b>8,854</b>	<b>-</b>	<b>22,174</b>
Unrestricted funds held by subsidiaries	22	328	(288)	-	-	<b>62</b>
<b>Total Unrestricted Funds - Group</b>	<b>22,448</b>	<b>6,421</b>	<b>(15,487)</b>	<b>8,854</b>	<b>-</b>	<b>22,236</b>
<b>Total Funds</b>	<b>339,597</b>	<b>15,112</b>	<b>(18,981)</b>	<b>-</b>	<b>27,766</b>	<b>363,494</b>

**18 FUNDS OF THE COLLEGE DETAILS**

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

**Endowment Funds - Permanent:**

General Endowment Fund Corporate capital, including founder's capital, whose income may be spent for general purposes.

Fellowship and Tutorship, Graduate scholarships, student support funds and Reed Directors of Music Donations made for perpetuity, whose income may be spent for the restricted purpose described.

**Endowment Funds - Expendable:**

Fellowship and Tutorship Funds Donations made for the long term, whose income and capital may both be spent for the restricted purposes described.

Graduate Scholarship and Student Prize Funds:

Student Support Funds  
Choral Foundation  
Compassionate Fund  
Fitzhenry Biomedical Research Fund

**Restricted Funds:**

Building Projects Donations made for specific College building projects before completion. Funds are transferred to the Building Project Fund within Unrestricted Funds once the building has been completed.

Fellowship and Tutorship Funds Unspent income generated from the permanent and expendable endowments above

Graduate Scholarships and Student Prize Funds and donations made for restricted purposes which the trustees may spend at their discretion.

Student Support Funds

Choir

**Designated Funds**

Fixed Asset Fund Represents the original cost less accumulated depreciation of the College's fixed assets.

Aidan Jenkins Graduate Scholarship fund Represents an unrestricted donation received and designated by the Trustees for a graduate scholarship.

The General Unrestricted Funds represent accumulated income from the College's activities and other sources that are available for the general purposes of the College



**19 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	<b>2023 Total £'000</b>
Tangible fixed assets	16,519	-	-	<b>16,519</b>
Property investments	-	-	152,272	<b>152,272</b>
Other investments	-	4,969	177,320	<b>182,289</b>
Net current assets/(liabilities)	8,870	-	-	<b>8,870</b>
Long term liabilities	(1,888)	-	-	<b>(1,888)</b>
	<b>23,499</b>	<b>4,969</b>	<b>329,592</b>	<b>358,062</b>

**Prior Year Analysis of Net Assets Between Funds**

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	<b>2022 Total £'000</b>
Tangible fixed assets	16,667	-	-	<b>16,667</b>
Property investments	-	-	153,078	<b>153,078</b>
Other investments	-	4,103	184,077	<b>188,180</b>
Net current assets/(liabilities)	8,669	-	-	<b>8,669</b>
Long term liabilities	(3,100)	-	-	<b>(3,100)</b>
	<b>22,236</b>	<b>4,103</b>	<b>337,155</b>	<b>363,494</b>

**20 TRUSTEES' REMUNERATION**

The Trustees of the College are the members of the Governing Body, primarily those Fellows who are employed to undertake teaching and research and who sit on Governing Body by virtue of their employment.

No Fellow receives any remuneration for acting as a Trustee. However, those Fellows who are also employees of the College receive salaries in respect of their employment. In the case of teaching and research posts, salaries are set with reference to pay scales applying nationally within the higher education sector and within the University of Oxford. Salaries are determined in all cases by the Governing Body on the basis of recommendations made by the remuneration committee, whose composition is described in the Annual Report of the Governing Body.

Trustees of the College fall into the following categories:

- (i) The Warden, who is the Head of College and chairs meetings of the Governing Body and its committees;
- (ii) Official Fellows, who are elected to the office of Tutor, Bursar, Librarian, Chaplain, Development Director or other office of the College;
- (iii) Professorial Fellows, who are senior members of the University of Oxford;
- (iv) Fixed-term research Fellows, who may be either junior career-development employees of the College, or senior academics who are not employed by the College.

College Officers and career-development research Fellows may be accommodated by the College. 27 Fellows (2022: 33) were accommodated in houses, flats or rooms owned by the College during the year. Fellows who are eligible for accommodation but who are not accommodated are paid a housing allowance, which is included within the salary figures below.

Some Fellows receive allowances for work carried out as part-time College Officers, including the Sub Warden, student disciplinary officer and research supervisor. These amounts are included within the remuneration figures below.

The total remuneration and taxable benefits included below is £2,368k (2022: £2,388k). The total of pension contributions is £400k (2022: £425k).

**Remuneration paid to trustees**

Range	2023		2022	
	Number of Trustees/Fellows	Gross remuneration, taxable benefits and pension contributions	Number of Trustees/Fellows	Gross remuneration, taxable benefits and pension contributions
		£		£
£0-£5,000	4	8,457	4	11,997
£5,001-£10,000	5	33,409	5	33,622
£10,001-£15,000	0	-	2	26,016
£15,001-£20,000	1	18,449	0	-
£20,001-£25,000	2	47,796	13	310,827
£25,001-£30,000	8	218,836	5	131,079
£30,001-£35,000	5	161,085	4	124,731
£35,001-£40,000	2	71,527	3	115,190
£40,001-£45,000	0	-	6	259,350
£45,001-£50,000	8	382,223	1	46,158
£50,001-£55,000	1	50,084	2	106,306
£55,001-£60,000	3	175,992	6	341,336
£60,001-£65,000	1	61,979	1	64,151
£65,001-£70,000	0	-	0	-
£70,001-£75,000	2	147,597	0	-
£75,001-£80,000	1	77,574	1	79,028
£80,001-£85,000	3	250,019	1	81,594
£85,001-£90,000	1	86,412	0	-
£90,001-£95,000	0	-	0	-
£95,001-£100,000	0	-	2	196,759
£100,001-£105,000	1	103,776	0	-
£105,001-£110,000	0	-	0	-
£110,001-£115,000	1	112,066	3	335,214
£115,001-£120,000	3	354,727	0	-
£120,001-£125,000	0	-	1	121,325
£125,001-£130,000	1	127,515	0	-
£130,001-£135,000	0	-	2	264,624
£135,001-£140,000	2	278,518	0	-
£140,001-£145,000	0	-	0	-
£145,001-£150,000	0	-	0	-
£150,001-£155,000	0	-	0	-
£155,001-£160,000	0	-	0	-
£160,001-£165,000	0	-	1	163,347
£165,001-£170,000	0	-	0	-
Total	55	2,768,041	63	2,812,654

9 Fellows (2022: 10) were not employed by the college during the year and did not receive any remuneration. All Fellows and all permanent employees of the college are eligible for private health insurance. All Fellows may take meals in college, together with all employees, who are entitled to take meals whilst working.

**Trustee expenses**

No Fellow claimed any expenses for work as a trustee

**Other transactions with trustees**

There were no other transactions between the College and Fellows or related parties.

See also note 27 Related Party Transactions

**Key management remuneration**

The total remuneration paid to key management, including employer's national insurance contributions, was £3,025k (2022: £3,071k).

Key management are considered to be the Trustees of the College.

## 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.

The College has also made available the National Employment Savings Trust for employees who are eligible under automatic enrolment regulations to pension benefits but not eligible for either USS or OSPS.

### Schemes accounted for under FRS 102 as defined contribution schemes

#### 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:

	OSPS	USS
Date of valuation:	31/03/2022	31/03/2020
Date valuation results published:	27/06/2023	30/09/2021
Value of liabilities:	£914m	£80.6bn
Value of assets:	£961m	£66.5bn
Funding surplus / (deficit):	£47m	(£14.1bn)
Principal assumptions:		
· Discount rate	Gilts +0.5%-2.25% <b>b</b>	Fixed interest gilt yield curve plus 1%-2.75%
· Rate of increase in salaries	RPI	n/a
· Rate of increase in pensions	Average RPI/CPI <b>(d)</b>	CPI + 0.05% <b>(c)</b>
Assumed life expectancies on retirement at age 65:		
· Males currently aged 65		24.0 yrs
· Females currently aged 65		25.6 yrs
· Males currently aged 45		26.0 yrs
· Females currently aged 45		27.4yrs
Funding Ratios:		
· Technical provisions basis	105%	83%
· Statutory Pension Protection Fund basis	98%	64%
· 'Buy-out' basis	62%	51%
Employer contribution rate (as % of pensionable salaries):	19% down to 16.5% for DB members from 1 Oct 2023	21.4% - 21.6% from 1 April 2022
Effective date of next valuation:	31/03/2025	31/03/2023

- The discount rate (forward rates) for the USS valuation was:  
fixed interest gilt yield curve plus: Pre-retirement 2.75%, port retirement 1.00%
- 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 0.50% p.a. at each term
- Pension 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 0.10% p.a. to a long term difference of 0.10% p.a. from 2040
- 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 pre-2030 and 1.0% p.a. post-2030. 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. pre-2030 and 0.1% p.a. post-2030).  
  
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.
- The USS and OSPS employer contribution rates include provisions for the cost of future accrual of defined benefits, deficit contributions, administrative expenses and defined contributions.

#### Sensitivity of actuarial valuation assumptions

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

Assumption	USS	
	Change in assumption	Impact on USS liabilities
Initial pre-retirement discount rate	increase by 0.25%	decrease by £1.3bn
Initial post-retirement discount rate	decrease by 0.25%	increase by £2.8bn
CPI	decrease by 0.10%	decrease by £1.5bn
Life Expectancy	more prudent assumption (reduced the adjustment to the base mortality table by 5%)	Increase by £1.2bn
Rate of mortality	more prudent assumption (increase mortality improvements long-term rates by 0.2%)	increase by £0.6bn

Assumption	OSPS	
	Change in assumption	Impact on OSPS technical
Valuation rate of interest	decrease by 0.25%	increase by 2% of pensionable salaries
RPI	increase by 0.25%	increase by 1.5% of pensionable salaries

#### 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:

	USS		OSPS	
	2023	2022	2023	2022
Finish Date for Deficit Recovery Plan	31/03/2038	31/03/2038	30/09/2023	31/01/2028
Average staff number increase	nil	nil	nil	nil
Average staff salary increase	3.00%	3.00%	3.00%	3.00%
Average discount rate over period	3.34%	3.34%	3.19%	3.19%
Effect of 0.5% change in discount rate	£66k	£89k	£0k	£14k
Effect of 1% change in staff growth	£132k	£195k	£0k	£47k

A USS provision of £1,851K has been made at 31 July 2023 (2022: £2,236K) 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.

A OSPS provision of £36K has been made at 31 July 2023 (2022: £925K) 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	2023 £'000	2022 £'000
<b>Universities Superannuation Scheme</b>		
Continuation Charges	540	489
Pension provision change	-460	1,303
<b>University of Oxford Staff Pension Scheme</b>		
Continuation Charges	590	552
Pension provision change	-854	-51
Other schemes – contributions	15	19
<b>Total</b>	<b>-169</b>	<b>2,312</b>

## 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 companies because the directors of these companies have indicated that they intend to make donations each year to the College equal to the taxable profits of the companies 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**

	<b>2023 Group £'000</b>	2022 Group £'000
<b>Net income/(expenditure)</b>	(5,434)	23,897
Elimination of non-operating cash flows:		
Investment income	(7,481)	(5,895)
(Gains)/losses in investments	2,961	(27,766)
Endowment donations	(316)	(1,592)
Depreciation	1,167	1,180
(Surplus)/loss on sale of fixed assets	(10)	(3)
Decrease/(Increase) in stock	(103)	(39)
Decrease/(Increase) in debtors	(447)	103
(Decrease)/Increase in creditors	(694)	509
(Decrease)/Increase in provisions	-	-
(Decrease)/Increase in pension scheme liability	(1,212)	1,269
<b>Net cash provided by (used in) operating activities</b>	<b>(11,569)</b>	<b>(8,337)</b>

**24 ANALYSIS OF CASH AND CASH EQUIVALENTS**

	<b>2023 £'000</b>	2022 £'000
Cash at bank and in hand	<b>8,059</b>	9,102
Endowment assets cash	<b>25,426</b>	21,621
<b>Total cash and cash equivalents</b>	<b>33,485</b>	30,723

**25 FINANCIAL COMMITMENTS**

At 31 July the College had no annual commitments under non-cancellable operating leases.

**Land and buildings**

**Other**

	<b>2023 £'000</b>	2022 £'000
	-	-
	-	-

The College had a contracted commitment at 31 July in respect of a gift agreement with the University of Oxford for the Regius Professor of Mathematics totalling £428k (2022 £438k).

**26 CAPITAL COMMITMENTS**

The College had contracted commitments at 31 July for future capital projects totalling £404k (2022 - £670k).

27 RELATED PARTY TRANSACTIONS

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. For reporting purposes, the University and the other Colleges are not treated as related parties as defined in FRS 102 ("Related party disclosures").

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.

The College has made equity housing loans to the following Fellows who are employees on the basis the capital sums repayable are linked to the value of the property on which the loan is secured. These loans are repayable in full when the Fellow demits from office and are classified as property investments in the balance sheet.

	2023 £'000	2022 £'000
Mr J Gloag	60	60
Dr P Thornton	360	360
Dr M Whitworth	155	155
Prof M Higgins	-	209
	<hr/>	<hr/>

28 CONTINGENT LIABILITIES

There are no obligations arising from events occurring before the date of the balance sheet whose existence will be confirmed only by the occurrence of events not wholly within the College's control.

29 POST BALANCE SHEET EVENTS

There are no material events occurring after the date of the balance sheet where disclosure is deemed to contribute to a proper understanding of the financial position.

### 30 PRIOR YEAR COMPARATIVES

#### Consolidated Statement of Financial Activities for the Year ended 31 July 2022

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2022 Total £'000
<b>INCOME AND ENDOWMENTS FROM:</b>				
<b>Charitable activities:</b>				
Teaching, research and residential	5,468	-	-	5,468
Public worship	-	-	-	-
Heritage	-	-	-	-
<b>Other Trading Income</b>	672	-	-	672
<b>Donations and legacies</b>	256	1,205	1,592	3,053
<b>Investments</b>				
Investment income	1	1,180	4,714	5,895
Total return allocated to income	8,659	-	(8,659)	-
Other income	24	-	-	24
<b>Total income</b>	<b>15,080</b>	<b>2,385</b>	<b>(2,353)</b>	<b>15,112</b>
<b>EXPENDITURE ON:</b>				
<b>Charitable activities:</b>				
Teaching, research and residential	14,327	1,439	245	16,011
Public worship	-	-	-	-
Heritage	-	-	-	-
<b>Generating funds:</b>				
Fundraising	696	-	-	696
Trading expenditure	464	-	-	464
Investment management costs	-	-	1,810	1,810
<b>Total Expenditure</b>	<b>15,487</b>	<b>1,439</b>	<b>2,055</b>	<b>18,981</b>
<b>Net Income/(Expenditure) before gains</b>	<b>(407)</b>	<b>946</b>	<b>(4,408)</b>	<b>(3,869)</b>
Net gains/(losses) on investments	-	(84)	27,850	27,766
<b>Net Income/(Expenditure)</b>	<b>(407)</b>	<b>862</b>	<b>23,442</b>	<b>23,897</b>
<b>Transfers between funds</b>	195	(189)	(6)	-
<b>Other recognised gains/losses</b>				
Gains/(losses) on revaluation of fixed assets	-	-	-	-
Actuarial gains/(losses) on defined benefit pension schemes	-	-	-	-
<b>Net movement in funds for the year</b>	<b>(212)</b>	<b>673</b>	<b>23,436</b>	<b>23,897</b>
Fund balances brought forward	22,448	3,430	313,719	339,597
<b>Funds carried forward at 31 July</b>	<b>22,236</b>	<b>4,103</b>	<b>337,155</b>	<b>363,494</b>

### 31 PRIOR YEAR COMPARATIVES

#### STATEMENT OF INVESTMENT TOTAL RETURN FOR THE YEAR ENDED 31 JULY 2022

The Trustees have adopted a policy of total return accounting for the College general endowment investment returns with effect from 1 August 2013. The investment return to be applied as income is calculated as 3.5% of the average closing value of the investments in each of the last five years. The amount applied as income for spending is included within the income section of the SOFA on the basis that this gives a clearer understanding of the financial position of the College. The preserved value of the invested endowment capital represents its open market value in 2002 together with all subsequent endowments valued at the date of the gift.

	Trust for Investment £'000	General Endowment Unapplied Total Return £'000	Total £'000	Restricted Endowments Total £'000	Total Endowments £'000
<b>At the beginning of the year:</b>					
Gift component of the permanent endowment	88,957	-	88,957	-	88,957
Unapplied total return	-	193,072	193,072	-	193,072
Restricted endowment funds	-	-	-	31,690	31,690
<b>Total Endowments</b>	<b>88,957</b>	<b>193,072</b>	<b>282,029</b>	<b>31,690</b>	<b>313,719</b>
<b>Movements in the reporting period:</b>					
Gift of endowment funds	-	-	-	1,592	1,592
Investment return: total investment income	-	4,714	4,714	-	4,714
Investment return: realised and unrealised gains and losses	-	29,088	29,088	(1,238)	27,850
Less: Investment management costs	-	(1,810)	(1,810)	-	(1,810)
Other transfers	-	(6)	(6)	(245)	(251)
<b>Total</b>	<b>-</b>	<b>31,986</b>	<b>31,986</b>	<b>109</b>	<b>32,095</b>
Unapplied total return allocated to income in the reporting period	-	(8,659)	(8,659)	-	(8,659)
Expendable endowments transferred to income	-	-	-	-	-
	-	(8,659)	(8,659)	-	(8,659)
<b>Net movements in reporting period</b>	<b>-</b>	<b>23,327</b>	<b>23,327</b>	<b>109</b>	<b>23,436</b>
<b>At end of the reporting period:</b>					
Gift component of the permanent endowment	88,957	-	88,957	-	88,957
Unapplied total return	-	216,399	216,399	-	216,399
Expendable endowment	-	-	-	31,799	31,799
<b>Total Endowments</b>	<b>88,957</b>	<b>216,399</b>	<b>305,356</b>	<b>31,799</b>	<b>337,155</b>