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UNIVERSITY COLLEGE OXFORD

Annual Report and Financial Statements

Year ended 31 July 2022

Charity No. 1141259

**UNIVERSITY COLLEGE**  
**Annual Report and Financial Statements**  
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## UNIVERSITY COLLEGE

### Governing Body, Officers and Advisers

Year ended 31 July 2022

#### MEMBERS OF THE GOVERNING BODY

The Members of the Governing Body are the College's charity trustees under charity law. The members of the Governing Body who served in office as trustees during the year or subsequently are detailed below. During the year, the main operational activities of the Governing Body were carried out through six committees. The current membership of these committees at the date of approval of these accounts is shown against each Fellow according to this reference:

- (1) Academic Committee
- (2) Finance Committee
- (3) General Purposes Committee
- (4) Premises Committee
- (5) Development Committee
- (6) Equality, Diversion & Inclusion Committee

		(1)	(2)	(3)	(4)	(5)	(6)
The Master, Right Honourable Baroness Valerie Amos CH PC		•	•	•	•	•	•
Professor R J Nicholas	Retired 30 <sup>th</sup> September 2021						
Professor A W Roscoe			•				
Professor J F Wheeler						•	
Dr K L Dorrington	Retired 30 <sup>th</sup> September 2021						
Professor T W Child			•				
Dr C J Pears		•					
Professor N Woods						•	
Dr S Collins							
Professor G M Henderson						•	
Professor P D Howell			•				
Professor C J Holmes			•				
Professor J Hein		•					
Professor P Jezzard			•				
Professor A Ker			•		•		
Professor W Allan				•			
Professor T Povey							
Professor O Zimmer	Resigned 31 <sup>st</sup> December 2021						
Revd Dr A Gregory				•	•		•

# UNIVERSITY COLLEGE

## Governing Body, Officers and Advisers

Year ended 31 July 2022

		(1)	(2)	(3)	(4)	(5)	(6)
Professor D Logan							
Dr L Kallet	Retired 30 <sup>th</sup> September 2021						
Dr B Jackson						•	
Professor N Yeung							•
Professor M Benedikt							
Professor S C Tsang							
Professor T Sharp		•					
Professor M Smith							
Professor N Halmi		•					
Professor A Johnston							
Professor S Mavroeidis		•					
Professor P Jones							
Professor J Rowbottom							
Dr M Galpin				•			
Dr K Milewicz	Resigned 31 <sup>st</sup> March 2022						
Professor N Nikolov							
Professor J Benesch							
Dr C Leaver							
Mrs A Unsworth			•	•	•	•	•
Dr A Bell		•	•	•		•	•
Professor C Terquem							
Professor M Barnes							
Dr I Jacobs							
Dr S Smith							
Professor K O'Brien	Resigned 30 <sup>th</sup> September 2021						
Dr P Rebeschini		•					
Dr A I Grant			•		•	•	
Professor G Scream							
Professor J E S Moshenska							•
Professor J D Hamkins	Resigned 31 <sup>st</sup> December 2021						
Professor Ruth Chang							

## UNIVERSITY COLLEGE

### Governing Body, Officers and Advisers

Year ended 31 July 2022

		(1)	(2)	(3)	(4)	(5)	(6)
Mr Gordon Cox	Resigned 17 <sup>th</sup> January 2022						
Dr Richard Ashdowne		•					
Professor R Rickaby							
Professor A Smith				•			
Professor T Y Tan							
Dr R Chitnis							•
Dr M Schentuleit			•				
Dr J Bryson							
Dr M Filip							
Dr N Moneke							
Professor B Klin	Appointed 1 <sup>st</sup> September 2021						
Dr N Talbot	Appointed 20 <sup>th</sup> October 2021						
Ms R Baxter	Appointed 1 <sup>st</sup> September 2022		•			•	
N Vince	Appointed 1 <sup>st</sup> October 2022						

The College is guided by three further permanent committees, namely: Audit Committee, Remuneration Committee and Investment Committee. As the membership of these committees correctly and additionally includes external members as well as Fellows of the College, their complement is not listed here but on page 8. In addition, the College has constituted an Oversight Committee which operates with a temporary and limited standing delegation of authority from the Governing Body to make decisions for the Univ North construction project. Despite being populated only by Fellows of the College, this Committee is temporary as it will only operate for the duration of the Univ North construction project and so it is also detailed on page 8.

### COLLEGE SENIOR STAFF

The senior staff of the College to whom day to day management is delegated are as follows:

Valerie Amos	Master
Andrew Grant	Finance Bursar
Angela Unsworth	Domestic Bursar
Andrew Bell	Senior Tutor
Rebecca Baxter	Development Director (Interim) (w.e.f. 1/9/22 for 2022/2023)

## UNIVERSITY COLLEGE

Governing Body, Officers and Advisers

Year ended 31 July 2022

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### COLLEGE ADVISERS

#### Investment Managers

Credit Suisse (UK) Limited  
5 Cabot Square  
London, E14 4QR

Goldman Sachs International  
River Court, 120 Fleet Street  
London, EC4A 2BE

Allianz Global Investors GmbH  
199 Bishopsgate  
London, EC2M 3TY

#### Chartered Surveyors and Property Advisers

Cluttons LLP  
Seacourt Tower, West Way  
Oxford, OX2 0JJ

Carter Jonas LLP  
Mayfield House, 256 Banbury Road  
Oxford, OX2 7DE

Stephenson & Son  
York Auction Centre, Murton  
York, YO19 5GF

Bidwells  
Seacourt Tower, West Way  
Oxford, OX2 0JJ

#### Auditor

Crowe U.K. LLP  
Aquis House  
49-51 Blagrove Street  
Reading, RG1 1PL

#### Bankers

HSBC  
65 Cornmarket Street  
Oxford, OX1 3HY

#### Solicitors

Blake Morgan  
Seacourt Tower, West Way  
Oxford, OX2 0FB

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

#### College address

High Street,  
Oxford OX1 4BH

#### E- Links



Web Home Page: [www.univ.ox.ac.uk](http://www.univ.ox.ac.uk)  
Twitter: [@UnivOxford](https://twitter.com/UnivOxford)

Facebook: [facebook.com/universitycollegeoxford](https://facebook.com/universitycollegeoxford)  
YouTube: <http://bit.ly/univyoutube>  
Instagram: [www.instagram.com/univcollegeoxford/](https://www.instagram.com/univcollegeoxford/)

# **UNIVERSITY COLLEGE**

## **Report of the Governing Body**

**Year ended 31 July 2022**

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### **REPORT OF THE GOVERNING BODY**

The Members of the Governing Body present their Annual Report for the year ended 31 July 2022 under the Charities Act 2011 together with the audited financial statements for the year.

### **REFERENCE AND ADMINISTRATIVE INFORMATION**

The College of the Great Hall of the University of Oxford, of ancient foundation and later incorporated by a Royal charter of 15 February 1573, is known as University College ("the College"). It is a chartered charitable corporation.

The College is registered with the Charity Commission (registered number 1141259).

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 which are made from time to time by order of His Majesty in Council in accordance with the Royal Charter of 1573, and the Universities of Oxford and Cambridge Act 1923. New statutes were approved by Her Majesty Queen Elizabeth II on 13 July 2016. The new regulations, which are necessary to enable the implementation of these statutes, came into effect with the new statutes on 1 February 2018, replacing and superseding in their entirety the existing ones. The new statutes and regulations formally state the College's charitable object, identify the College's charity trustees, establish appropriate procedures for managing conflicts of interest and introduce a Remuneration Committee to oversee employee benefits, including remuneration and other benefits provided to members of the Governing Body and Fellows of the College.

#### **Governing Body**

The Governing Body is constituted and regulated in accordance with the College Statutes, the terms of which are enforceable by the Visitor, who is His Majesty the King. The Governing Body is self-appointing, with the decision to elect a new trustee being taken by a vote of two-thirds of those present and voting at a meeting of the Governing Body.

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 Master and is advised by the six main operational committees. The Governing Body has adopted the Charity Governance Code and is working to embed its principles and many recommendations into our operational practices.

#### **Recruitment and Training of Members of the Governing Body**

New members of the Governing Body are recruited following interview and selection procedures for the associated academic, senior administrative, or other post and inducted into the workings of the College, including Governing Body policy and procedures. Members of Governing Body are supported by training run presently by Pennington Manches Cooper LLP.

#### **Remuneration of Members of the Governing Body and Senior College Staff**

Members of the Governing Body, who are predominantly academic Fellows and are also teaching and research employees of the College and/or the University, receive no remuneration or benefits from their trusteeship of the College. Those trustees who are also employees of the College receive remuneration only for their work as employees of the College, which is set based on the advice of the College's Remuneration Committee.

## **UNIVERSITY COLLEGE**

### **Report of the Governing Body**

**Year ended 31 July 2022**

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Remuneration Committee members are the Master, Finance Bursar, Senior Tutor and a Fellow who is not in receipt of remuneration from the College. In addition, three external members comprise the standing complement. The membership of Remuneration Committee is appropriately adjusted when the Committee is considering the remuneration of its College members or their peers (Note 19). Various, the Master has been conflicted and has demitted from the Committee, recusing herself from the impacted business and the Vice Master has chaired. The College is in the process of inducting an independent Chair to the Committee in order to address this matter.

Where possible, remuneration is set in line with that awarded to the University's academic staff and based on nationally agreed pay scales. The remuneration of senior college staff is set by reference to nationally agreed pay scales and local conditions. In deciding appropriate pay levels, the College aims to strike a balance between paying enough to recruit and retain people with the skills the College needs, the responsibility to the Office for Students to spend public money appropriately and the College's donors' expectations that the money they entrust to the College will be used wisely to promote academic excellence. In setting the pay of key management, the Remuneration Committee takes account of the skills and experience required for each of the roles and the remuneration in the sectors from which suitable candidates for such posts would be found. They also take account of affordability for the College. The College does not pay bonuses or other incentive payments to its senior officers. Pay increases to key management and other employees are awarded subject to excellent performance.

#### **Organisational management**

The members of the Governing Body meet at least six times a year to make decisions on the recommendations of the six main committees. The work of developing policies and monitoring their implementation is carried out by the main committees listed below:

- The Academic Committee meets up to four times a term to discuss all aspects of academic policy and practice, including academic appointments, applications for sabbatical leave and special leave, teaching arrangements and quality assurance and undergraduate and graduate admissions and performance. The Committee also keeps abreast of academic developments in the central University and by liaison with other colleges through the Conference of Colleges. It also receives reports and recommendations from its sub-committee, the Research Committee, from time to time.
- The Finance Committee discusses all aspects of the financial affairs of the College and meets three times a term. The Finance Committee reviews the financial implications of recommendations made by the other standing committees of the College, as well as monitoring reports from the Remuneration Committee and the Investment Committee.
- The General Purposes Committee meets regularly to consider a range of operational issues that are not typically captured by other committees of the College.
- The Premises Committee considers and prioritises candidate capital and maintenance projects for the College's functional premises to keep them in effective order and to enhance them according to need.
- The Development Committee considers the College's fundraising initiatives and its ongoing links with Old Members of the College.
- The Equality, Diversity and Inclusion Committee considers and recommends policies to deliver on the College's commitment to be pro-active in eliminating discrimination and creating a diverse, inclusive culture that promotes equality.

The frequency of these governance meetings of Governing Body and committees is amended from time to time according to circumstances, with extraordinary meetings of Governing Body and relevant committee called when needed, the latter being occasionally afforded by other members to address particular matters with the widest perspective.



## UNIVERSITY COLLEGE

### Report of the Governing Body

Year ended 31 July 2022

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In addition to the six main committees meeting frequently through the year, the College relies on a number of committees that consider particular aspects of College operation. These committees include external members. Their purpose and their current membership are:

- The Remuneration Committee makes authoritative recommendations concerning main salary scales and other matters relating to the remuneration of persons who are also trustees. The external members are currently Helen Morton (chair), Michael Harloe and Hugh Blaza.
- The Audit Committee reports directly to Governing Body and, meeting termly, its duties include monitoring the effectiveness of the College's internal management controls and risk management systems. It is free to probe any activity, risk or opportunity with a College-level risk management perspective. It therefore supports trustees with perspectives on internal and external risks to the College achieving its objectives. The Audit Committee performs an assurance function to support the Trustees alongside the College's Auditors – Crowe U.K. LLP – whose role is statutory. The Committee critically reviews the annual report and financial statements. The Committee also interrogates College management responses to the risks facing the College as it delivers its purpose and may engage in deeper enquiries into College activity in order to provide independent assurance to the Governing Body. The members of the Audit Committee are currently Bill Child (Chair), Andrew Ker (Financial Adviser) and John Morton, and independent external members Gilly Lord and Minesh Shah.
- The Investment Committee considers the College's investment strategy for its endowment assets, making recommendations for its implementation, and reviews the performance of those investment assets. The Committee includes six expert external members. In this year, they were John Authers, Tim del Nevo, Gavin Ralston, James Anderson, Charles Mason and Ross Owen. Throughout the year, its consideration of endowment investment matters was augmented by an Investment Management Review Group, chaired by the Vice-Master and comprising fellows of the College.

The day-to-day running of the College is delegated to the senior officers listed on page 4 above, supported by their staff in the Domestic Bursary; Estates Bursary including the Treasury and Works Department; Academic Office and Alumni and Development Office, and operating under the oversight of the relevant committee. The Univ North construction project is subject to particular arrangements that reflect the need for timely decision-making. To this an Oversight Committee has been constituted.

- The Oversight Committee reports to the Governing Body and is focused exclusively on the governance matters arising from the 'Univ North' Development Project. It operates with a delegation of authority from the Governing Body to approve project-related matters within specified limits. The Committee meets six times per year. It is chaired by the Master with the Finance Bursar, in his capacity as Univ North project director, Richard Ashdowne, Justin Benesch, Catherine Holmes, Patrick Rebeschini and John Wheeler.

### Structure and relationships

The College, though autonomous, is a member of the collegiate University of Oxford. Material interdependencies between the University and the College arise as a consequence of this relationship. The College administers many special trusts, as detailed in Notes 14 and 15 to the financial statements.

## OBJECTIVES AND ACTIVITIES

### Charitable Objects and Aims

The College's Object is to promote the advancement of university education, learning and research as a College in the University of Oxford including maintaining its historic buildings and other patrimony, pastoral care of its students, and public liturgy.

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

## UNIVERSITY COLLEGE

### Report of the Governing Body

Year ended 31 July 2022

- 
- Provide lectures, teaching facilities and high-quality individual or small group tuition and supervision to its students;
  - Provide public liturgy, pastoral and academic support, and library facilities, and
  - Advance research by providing grants to postgraduate research students, research fellowships to outstanding academics at the early stages of their careers and sabbatical leave to established academics to carry out research.

#### Activities and objectives of the College

The College's activities are focused on furthering its stated objects and aims for the public benefit.

#### Our key objectives for the year included:

- To continue to develop and enhance the quality of our tutorial provision in order to support the academic experience of our students;
- To continue to enhance the wellbeing and success of our students through the provision of professional pastoral and welfare support;
- To continue to monitor and refine our methods of selecting students so that those who are admitted are those who are expected to benefit from the academic environment of the collegiate University;
- To advance research through the appointing of outstanding early-career academics to Junior Research Fellowships, the appointing of sector-leading senior academics to Supernumerary and Professorial Fellowships, and by facilitating the research activities of Tutorial Fellows of the College through the provision of sabbatical and research leave, and research funding;
- To continue to provide, and enhance the availability of, bursaries and scholarships to undergraduate students of limited financial means;
- To develop further our bridging support programme to facilitate the transition from secondary to tertiary education, and to help in particular those from educationally disadvantaged backgrounds;
- To strengthen our links with the secondary education sector and to increase our efforts to attract applications from academically outstanding students through our ambitious schools liaison activities;
- To continue a targeted programme of access and recruitment activities which are focused on ensuring that students from disadvantaged and under-represented backgrounds are encouraged to apply to study at the College and enabled to succeed here;
- To continue our efforts to attract the most outstanding graduate students and to provide fully-funded studentships for as many of them as possible.

#### ACHIEVEMENT AND PERFORMANCE

The following table summarises the degrees awarded to members of the College during the year:

Degrees Awarded	2021-22	2020-21
Undergraduate	112	115
1 <sup>st</sup> & Upper 2 <sup>nd</sup> Class	92.9%	93.0%
Taught Graduate	29	27
Research Graduate	38	41

## UNIVERSITY COLLEGE

### Report of the Governing Body

Year ended 31 July 2022

These results across both the undergraduate and graduate bodies represent a notable achievement at a time of continued upheaval for students and staff as we continue to experience the enduring effects of the pandemic.

Throughout 2021 – 22, in-person teaching and in-person study were again the norm, and students were assessed by conventional in-person means as was the case before 2020. Occasional recourse was had to online teaching where appropriate, and the lessons of the previous two years were invaluable in making this an effective experience. The after-effects of the pandemic remained visible in learning loss, staff and student fatigue, and welfare challenges. Though a difficult time, academic and welfare provision remained robust and high levels of student satisfaction were maintained and reported in feedback

The total of scholarships, prizes, grants, bursaries and hardship awards in 2022 was £1,402k (2021: £1,304k) including Oxford Bursary payments (Note 6). In addition, further awards totalling £134k (2021: £130k) were made by the Univ. Old Members' Trust to students of the College.

The College has continued to expand its provision of graduate studentships in 2021-22 using newly endowed studentship funds leveraged by the University's Graduate Scholarship Matched Fund, and by linking College funds with Departmental and Divisional funding, to create a large number of fully funded graduate studentships.

The College is proud to have launched the Univ Beacon Programme this year, which makes available bursaries, internships and research opportunities to undergraduate and graduate students who come from defined under-represented backgrounds. Ten undergraduate and two graduate Beacon scholars were appointed to begin their studies in October 2022.

Details of the extent of the awards granted are set out below:

<b>% Receiving Awards</b>	<b>2021-22</b>	<b>2020-21</b>
Graduates*	<b>48%</b>	48%
Undergraduates*	<b>28%</b>	26%

\*excludes those receiving small awards, e.g. book grants, etc.

Dropout rates at the College continue to be exceptionally low compared to the national average of 8.3% in 2018-19 (Higher Education Statistics Agency ("HESA") Non-continuation following year of entry 2017-18).

	<b>2021-22</b>	<b>2020-21</b>
<b>% of Undergraduates that do not continue their course after the first year</b>	0.0%	0.8%

Despite the restrictions imposed by the pandemic, schools liaison and access work has continued through a range of online modes, and 38 major events took place between over the year, including three major study days, an additional online study day for BAME students, and inbound and outbound schools visits. All told, the College worked with approximately 3,500 students over the year and hosted an additional 2,300 students at its Open Days.

The College's online learning resource for pre-university students, called Staircase12, has also been refreshed with new material.

Research is a duty of all academic fellows and the College is pleased to celebrate their many academic accomplishments. In the last year, two Fellows were awarded the title of Professor in recognition of their important contributions to their respective fields. The College further supports research by granting sabbatical

## UNIVERSITY COLLEGE

### Report of the Governing Body

Year ended 31 July 2022

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leave and special leave to fellows for specific research activities. The College continues to employ outstanding researchers at an early stage of their careers. At any one time, the College employs approximately ten Junior Research Fellows as early-career researchers.

As part of its Univ Beacon Programme, an additional new Junior Research Fellowship has been established for scholars coming from under-represented backgrounds. The College also specifically allocated £94k (2021: £119k) for the purchase of books/equipment and conference attendance to support both junior and senior fellows in their research efforts.

## FINANCIAL AND OPERATIONAL REVIEW

### Sources and Uses of Funds

#### Investment delivery, policy and objectives

The purpose of the investment policy is to generate additional value for the College to support greater delivery of its higher education and academic objects than might have been possible otherwise. The College's endowed and related investments are deployed in commercial property, financial assets and fixed income assets with the aim of generating total returns, i.e. annual income and capital growth. The College's investment objectives are to:

- Support funding of current spending at sustainable levels with an unchanged, real long-term drawing rate of 3.5%; and
- Make sufficient additional excess returns to help fund capital investments in the College's functional assets.

The College's investments comprise a diverse range of asset classes, with a view to produce total returns for the College with acceptable risk and return. Our investment policy is not based on exclusions of particular types of investments but reflects the College's overall vigilance that its actions should be ethically sound, and that its actions reflect environmental and governance awareness. It has invested in ESG-compliant funds.

The investment management, strategy and policy have the support of external advisers, under the guidance of the Investment Committee, and are also subject to a continuing review by an Investment Management Review Group, chaired by the Vice-Master. The College has appointed a Property Investment Manager and strengthened the Investment Committee with a further experienced property specialist to respond to the challenges of managing the material property portfolio and to maximise its contribution to total returns.

The College operates a total returns investment policy. This affords the College greater flexibility over asset selection given the relative shortage of new quality income assets in which to invest.

Net income from investment assets (after provision for doubtful debts) was £4.9m (2021: £4.6m). The total provision made against the tenanted rental debtor balance at 31 July 2022 is £1.0m (2021: £0.9m). These figures support the view that the commercial properties continued their slow but steady post-pandemic recovery with higher tenancy rates and more assured timing for payment of dues.

At the year end, the College's long term investments, combining the securities and property investments, totalled £207.2m (2021 £196.2m). The overall total investment return was 6.7% (2021: 11.6%) over the year. Since the inception of the Investment Committee (31 July 2002), the annualised return to 31 July 2022 is 8.1% (to 2021: 8.2%). Total gains on investments were £ 4.1 m (2021: £ 13.1 m).

### Operations

The normal financial running of the College through this financial year continued to be disturbed by the impact of the COVID-19 pandemic particularly through late 2021, although the form of the disruption was most acutely felt in staffing retention and recruitment and, latterly, climbing costs. The effect was increased remuneration

## **UNIVERSITY COLLEGE**

### **Report of the Governing Body**

**Year ended 31 July 2022**

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costs. These cost increases were compounded in 2022 with the acute issues arising from the war in Ukraine, escalating energy costs and ongoing challenges recruiting into the 'hospitality' sector.

In addition, the conference and summer school activity has been restarted. It generated £0.9 m of welcome income this financial year (2021: £0.04 m).

The College's expenditures climbed 3.8% to £(16.3)m (2021: £(15.7)m). The principal driver of this increase was the increase in the provision for the contributions payable under the USS pension fund's deficit recovery plan (note 20).

Despite the continuing challenges of inflationary pressures, recruitment, and slow recovery in property income, there has been no unmanageable risk to the College's status as a 'going concern'. The College's debt service, stipends, salaries and all other liabilities as they fell due have been paid in a timely manner. The Fellowship has combined to address the scope of potential cost-savings and other efficiencies that have the potential to bring income and expenditure into better balance despite the inflating costs. These actions are positioned for sustainable improvement over the next 5-10 years.

#### **Univ North**

The College has made material progress on the 'Univ North' scheme, the project to build new student residences. The design has been tendered for construction and a preferred contractor selected on the basis of their quality and proposed costs. Detailed design and contract negotiations are underway. Univ North will enhance the College's offer to students in the form of subsidised accommodation of a scale that will permit each year group to be co-located in its entirety for the first time, a matter that has been requested by our members and will directly support the College's academic delivery. Furthermore, the Univ North new build, with its ancillary facilities and nursery, develops the Staverton Road Annexe into a genuinely complementary site to that on the High Street.

The scale is significant with new buildings and renovations providing up to 150 new bed spaces and ancillary facilities – the College's largest increment in functional premises in over three centuries. The attention has been on engaging with the construction market to mitigate against the consequences of the disruption in the construction supply chains arising as fallout of the pandemic, and the challenging economic circumstances that have prevailed through 2022.

The confidence to approach the market and progress the project has been enabled through nearly £50 million of new funds generously provided to supplement the £13 million which the College has already invested in creating the opportunity. The new funds comprise some £24 million of donations and £26 million of structured funding with the generous assistance of an anchor donor.

The first payment under the structured funding arrangement – called Al Duca – was received in April 2022. On the 1st March 2022 the College entered into two back-to-back agreements whereby philanthropic funding would be provided for the College's North Oxford development and in return the College would commit to distribute the net returns from the development for a minimum of 40, and a maximum of 50 years, to a US University nominated by the funder. The two agreements are assessed as being a complex financial instrument and as such the liability under the distribution agreement is calculated at fair value, (see Note 23).

The total incoming monies pledged under the structured funding agreement is \$35m with a first payment made in April 2022 of \$5m. With each subsequent receipt the College will recalculate the liability arising from the commitment to distribute the proportion of its receipts, net of costs, from the new build.

As well as maintaining and enhancing its wider functional estate, a total of £0.6m (2021: £1.7m) was spent on capital projects (see Note 8).

# UNIVERSITY COLLEGE

## Report of the Governing Body

Year ended 31 July 2022

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### Development activity

The College is fortunate and remains deeply grateful to its community of committed and generous donors, friends and volunteers that is so vital to the College's fundraising and development activity.

Univ's participation rate (the number of Old Members who are also donors) for the 2021-2022 financial year sits at 19.1%. This rate is favourable compared with other Colleges where the average for the period was 12.2%. At Univ, there were 1355 unique donors making a total of 7724 gifts.

Challenges remain from the pandemic, particularly in relation to regular, unrestricted income via Direct Debits. As a result, a Direct Debit retention campaign was undertaken at the end of the financial year leading to a significant increase in the number of regular gifts. Donations recognised in the accounts total £10.4m (2021: £8.4m), with £4.2m raised as new pledges to be fulfilled in the year or in later years, together with in-year commitments made and paid. In terms of new gifts, 157 regular gifts were made in this year, with an average instalment amount of £113.

Fundraising at the College continues to focus on two key areas: teaching and research at the College, and on Univ North, the College's major development in North Oxford. The development and alumni relations office is staffed by professionals employed by the College, who work regularly with College members acting as ambassadors and volunteers under the close guidance of the development team.

The College continues to work to maintain the integrity of its data and to ensure that all evidence of consent, whenever it is required, is recorded. The College's compliance with GDPR regulations and the Charities (Protection and Social Investment) Act 2016 are central to the governance of its development activity.

The College is registered with the Fundraising Regulator and follows their guidance and best practice when working with vulnerable people. A Donor Charter survey of all supporters underpinned a new strategy for donor relations, which includes improved donor reporting, and the creation of a specialised Donor Relations role. A link to the College's privacy notice is included in all communications, along with an opt-out option. A recent review in our mass-mailing policies and procedures has led to a strengthening of these opt-out procedures and a streamlining of data transfer processes.

The Development Committee meets once a term and provides advice and strategic perspectives on fundraising and Old Member engagement.

### Reserves policy

The College's reserves policy is to maintain sufficient free reserves to enable it to meet its short-term financial obligations, in the event of an unexpected revenue shortfall including the semi-annual payments of interest on the bonds and Senior Note (see Note 14). This general operational reserve is a liquidity buffer comprising 3 months of operating expenditures which allows the College to be managed efficiently and provides assurance of uninterrupted services. The College's free reserves as at 31 July 2022 were £4.0m (2021: £3.8m).

### Total Funds

Total funds of the College at the year-end amounted to £237.4m (see Note 16) (2021: £225.5m) including endowment capital of £147.1 m (2021: £142.4m) and unspent restricted income funds totalling £17.2m (2021: £10.8m) and unrestricted funds of £73.2m (2021: £72.3m). The unrestricted funds comprise £54.3m (2021: £55.9m) representing the book value of tangible fixed assets less associated funding arrangements, designated funds amounting to £4.0m (2021: £12.5m), a revaluation reserve of £ 0.9 m and the College's general reserve of £4.0m (2021: £3.9m).

Details of the funds held for educational and research purposes are set out in Note 17.

### Risk management and Internal Controls

The Governing Body has accountability for managing all risks to its objectives and purpose that are faced by the College. It has reviewed the processes in place for managing risk and the identified principal risks to which

## UNIVERSITY COLLEGE

### Report of the Governing Body

Year ended 31 July 2022

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the College is exposed. While the senior officers own the risk management processes in their respective areas of accountability, the College is working to progress a more holistic process that will help assure risk prioritisation across the College's activities. The Audit Committee, through its annual cycle of meetings, probes and challenges the Fellows' approach to risk management, including discussions with senior officers on a rolling basis in respect of their respective areas of accountability.

Policies and procedures within the College are reviewed by the relevant College committee(s). For example, responses to risks to delivery of the College's higher education objects are reviewed and shaped by the Academic Committee; financial risks, such as funding the Univ North development, are assessed by the Finance Committee and investment risks are monitored by the Investment Committee. Different risks arising from common activity may be addressed by different committees, such as Univ North project management risks fall under the aegis of the Oversight Committee, which has an explicit delegation of authority from the Governing Body.

All College committees can be subject to review by the Audit Committee from time to time. The Domestic Bursar reviews health and safety issues with other departmental heads. Training courses and other forms of career development are available to members of staff to enhance their skills in risk-related areas.

Risks are considered under the broad headings of: Governance; Operational; Financial; External and Compliance. The approach to managing risks is characterised accordingly:

Governance – the College governance arrangements ensure the smooth running of the College and timely decision making. The Governing Body (GB) is the Trustee body responsible for oversight of the College's activities and is the sovereign body of the College. Many matters are delegated to Committees, which define and make recommendations to GB for approval. Each committee's membership is reviewed annually by the Master to ensure a diversity of perspectives and appropriate skills. Where appropriate, the College utilises working groups of Fellows to consider specific issues. The College operates within the framework of Charity Commission's expectations on wider governance matters, including attention to conflicts of interest and registration of interests.

Operational – the College has a range of policies governing the way the higher educational objects of the College are delivered, including academic policies covering students' experiences, including welfare, teaching and research, as well as non-academic policies governing the day-to-day operations of the College.

Financial – the Governing Body is regularly presented with financial and investment data, which is first scrutinised by the Finance Committee and, as appropriate, the Investment Committee. The investment performance is also considered as part of the financial risks review. Appropriate liquidity is maintained within the endowment assets to be prepared for potential existential threats to the College. The COVID-19 pandemic has meant that these resources have been drawn upon to cover missing incoming cash receipts in the period.

External – the Governing Body is aware of the changing context and its potential impact on delivery of the College's academic objectives. The context in which education and research is being delivered is evolving rapidly, with recent challenges in relation to freedom of speech, environmental sustainability, Black Lives Matter, #MeToo, the trans debate, increasing casualisation of employment, and the importance of paying the living wage. In addition, the declining prospective value of fellows' pensions, need to support early career academics, all remain relevant.

Compliance with law and regulation – management receive training and advice on compliance issues in their areas of responsibility, including, for example, Prevent, health and safety, access support and data protection. The College's statutory Data Protection Officer, under UK General Data Protection Regulations, rests with ClearComm, which is part of Moore Kingston Smith, with the current nominated lead being Sam Butler.

COVID-19 is an operational risk that continued to prevail at the start of this financial year. While there was no lasting impact on the College's higher educational activities, delivering its objects placed an additional toll upon

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all its staff. The College has had the financial resources to see it through the pandemic and, as a consequence, has not signalled a major incident to the Charity Commission. As can be seen in the tables below, the College's business continuity plans, developed previously as risk management in readiness, were put into full and effective operation.

The College's insurances against the unforeseen are extensive and are reviewed annually. The insurance regime remains under scrutiny because of the exceptional risk circumstances and the challenge in the insurance markets giving rise to more costly premia.

The College's management processes seek to provide assured risk identification and assessment in order to drive the right management action according to their potential impact on the College. Some risks are enduring, or ever present. In contrast, some risks maybe emerging, temporary and short term, arising either through some external step-change, or from a material new project or change in College direction arising from a new initiative. College-level risk perspectives are under development with initial sessions held on the various 'values' of the fellowship and staff which will form the basis of an holistic risk management process.

Addressing the Enduring Risks first, these are characterised by the need for constant and progressive management to enhance the College's processes. They are set out in the table below:

Title	Enduring Risk	Potential Impact	Management
Health and Safety, including safeguarding.	Risk of avoidable injury and harm to individuals. Failure to discharge full duty of care with consequences to individuals' physical and/or mental wellbeing.	Harm to member(s) of College. Loss of licence to operate, with close attention by regulatory authority and monitored remediation plan undertaken. Fines and grave reputational damage.	This risk is controlled through clear H&S policy setting expectations of conduct on all activities including hazardous ones, e.g., working at height servicing buildings; welfare processes for young people in College; and keeping members safe through pandemics of infectious diseases.  Fire safety and H&S reviews assessed at least annually and on any change of operation.
Financial – Financial management	Loss of income from changes in student financing, research support, or commercial returns from our endowment assets.	Inability to fund core activities. Inability to sustain College's endowment.	Engage with the University to sustain funds for teaching and research, and access appropriate new resources. Regular reviews by Finance Committee, challenging College's use of funds,, and Investment Committee, guiding investment plans, ensures that financial management receives scrutiny and challenge.  An operational general reserve is maintained to cover normal cycles which is underpinned by a substantial prudential reserve as cover for existential risk.  The College continues to bear down on expenditure with a detailed review of operational income and expenditure by a Financial Sustainability Working Group and the Trustees to address sustainable expenditure. .
Operational - Students	Failure to attract, recruit and admit sufficient	Loss of status as an elite academic institution; loss of	Maintain numbers through realistic over-offering, and participation in Open Offer schemes. Adhere to the University's common admissions



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Title	Enduring Risk	Potential Impact	Management
	appropriate students.	academics and income leading to decline.	<p>framework. Champion the wider adoption of Univ's Opportunity Programme by supporting "Opportunity Oxford", to deepen widening participation and thereby tap into the nation's wider talent pool.</p> <p>Develop the Beacon Programme to address the risk of missing talent in underrepresented sections of society at Oxford.</p>
Operational - Students	Failure to teach and supervise students to an appropriate standard.	Student under-performance. Reputational damage.	Regular monitoring of student progress and quality of teaching provision. Annual review of quality assurance measures by reference to Oxford University guidelines.
Operational – Academic Staff	Failure to recruit and retain high quality academic staff.	Poor teaching and care of students. Adverse effect on research reputation.	Joint appointment procedures followed by the College and Oxford University. Policies to support research and research leave. Rewards Policy approved to underpin remunerative processes for efficiency and effectiveness.
Operational – Support Staff	Failure to recruit and retain capable teams of support staff for domestic operations.	Disrupted services for all members.	<p>Close attention to optimisation of existing resources with common processes and tailoring of service levels to meet current capability.</p> <p>Judicious restructuring and appointment into critical gaps to rebuild service capacity.</p>
Operational - Students	Substandard support for students with disabilities, who may be vulnerable or otherwise disadvantaged. Deterioration of welfare support generally.	Failure of affected students to progress satisfactorily.	<p>The Equality, Diversity, and Inclusion Committee provides the leadership platform and agency for this risk. Provision of services for students with disabilities is supported by a dedicated Student Disability &amp; Welfare Advisor and the College works closely with the University's Disability Advisory Service. College is pursuing a multi-year Accessibility budget to invest in improvements to our functional premises in support. Recognition that different processes apply for mental well-being.</p> <p>Under-represented student participation will be bolstered by the introduction of the Beacon programme of bursaries and support.</p>
Compliance - Governance	Non-compliance with statutory requirements, such as Charity Act, reporting requirements, GDPR, Health &	Charges and fines arising from unlawful acts, e.g., distribution of sensitive personal data, rising to criminal charges for fraud, or overt	<p>Close and regular contact with legal advisors helps ensure proactive attention and response to changes of legislation.</p> <p>UK GDPR governance implemented and maintained across all departments. Sensitive welfare and personal data are kept securely with access restricted and retention schedules</p>

## UNIVERSITY COLLEGE

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Title	Enduring Risk	Potential Impact	Management
	Safety, and similar.	scrutiny by Charity Commission.	maintained. Data breach reporting has been robust, with currently a culture of open reporting, but constant attention required. GDPR compliance is subject to audit by DPO. Main focus of risk management is presently on third parties who are processing College personal data.
External – Information and IT Provision	Physical damage to IT equipment and virus/malware attack.  Cyber-attack for ransom.	Loss of key data and disruption to day to day operations.	Essential files stored on central servers with daily backups and continuous replication of the servers onto a dedicated disaster recovery site. Secure access has been enhanced to the College network for computers that have been screened for virus/malware, which is particularly important given the reduction in affordable insurance cover for cyber threats.  Multi-factor authorisation being implemented across all functional aspects of the IT provision.

The risks to the College's delivery and operation that are not enduring arise from time-to-time due to either an external event or particular choices or changes that the Governing Body may make, such as a new project or direction. These risks may therefore emerge and persist for several periods, before the material risk is either managed away, the impact of the risk event declines or the risk becomes enduring. This evolution reflects the dynamic nature of risk management. All external pressures, new legislation and similar, require attention and potentially deeper management action as the judgement develops on the scale of risk and its implications. Therefore, in addition to the 'Enduring' risks above, further risk management effort was delivered to manage certain 'Emerging' risks, including:

Title	Emerging Risk	Potential Impact	Management
Financial – Univ North	The expansion of the College's north Oxford site with a material £62 million development creates the potential for financial distress as well as unfulfilled expectations.	Worst outcome includes inability to fund core activities and/or damage College's endowment.	Univ North development project was subject to a dedicated risk review that identified 17 risk issues. Satisfactory management responses have been developed to these College-level risks in addition to the project's own rigorous project risk management which follows an emergent, evolving cycle of new risks and management response.  Univ North is to continue to be a standing item for all Governing Body meetings with governance arrangements augmented by the Oversight Committee, chaired by the Master, and underpinning Project Board. The Finance Committee and Univ North Working Party continue to interrogate aspects of the project in support.  High risk issues at period-end include final definition of an acceptable sustainability/

## UNIVERSITY COLLEGE

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Title	Emerging Risk	Potential Impact	Management
			decarbonisation brief; buildability; cost efficiencies; inflationary pressures for construction costs, and compliance with increasing and changing regulatory demands.
Operational – Staff Pensions	Failure to retain top quality academic staff as regulatory requirement to recover Defined Benefit pension deficit risks pension benefits.	Liability arises from higher employer's contribution and potentially a need to 'make-up' the loss from reduced pension benefits. Industrial action by academics.	Strike action and staff discontent are concerns in the light of challenges with Universities Superannuation Scheme and salary incrementation. The College continues to contribute to employer consultations initiated by UUK and USS trustees in order to help find acceptable structural solutions. The risk has abated from the 2020 valuation. While employee engagement continues, close monitoring is essential given limited influence on USS trustees. The inflationary backdrop adds pressure to living costs for staff and the risk of staff feeling worse off.
External – Sustainability challenge and ESG expectations	Failure to make visible progress on ESG expectations across all activities giving rise to reputational risk.	The College's control of the agenda appears to decline and reduces the credibility with external stakeholders.	<p>A multi-year carbon reduction programme has been re-energised under the direction of the Premises Committee with a new 8-year programme of heat decarbonisation initiatives.</p> <p>The exemplary Univ North, under the direction of the Oversight Committee, is landscape-led and a fabric-first, high efficiency development scheme which has been subject to further works to identify and implement additional decarbonisation plans and progress delivery of biodiversity goals.</p> <p>Social enhancement is now under the direction of a new and dedicated Equality, Diversity and Inclusion Committee</p>

## FUTURE PLANS

The College's future plans as agreed by the Governing Body are:

- to strengthen the intellectual environment in which our undergraduate and graduate students are educated;
- to strengthen our links with the secondary educational sector and promote the exceptional quality of the education offered to our undergraduates with a view to attracting the best students from all sectors, including those from under-represented backgrounds;
- to maintain its scheme to support and admit more undergraduate applicants from the most disadvantaged backgrounds, taking account of new University initiatives;
- to provide excellent welfare and disability support to our students, with a view to helping them achieve their full intellectual and educational capacity;
- to continue to provide means-tested bursaries to students from disadvantaged backgrounds, and to provide bridging support to those from educationally disadvantaged backgrounds who may be in need of it;

## UNIVERSITY COLLEGE

### Report of the Governing Body

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- vi. to continue to fund-raise for fully funded graduate studentships, and to compete in an international market for the most outstanding graduate students, and to incentivize applications from students from under-represented backgrounds through the provision of new targeted grants.
  - vii. to continue to support the research of our Fellows;
  - viii. to continue to put in place measures for improving the performance of our undergraduates in public examinations;
  - ix. to establish new research and teaching posts for early career academics, and
  - x. the development of the College's North Oxford site given the acquisition of 115 Banbury Road and the consented masterplan.

## UNIVERSITY COLLEGE

### Report of the Governing Body

Year ended 31 July 2022

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#### TRUSTEES' RESPONSIBILITIES STATEMENT

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

Charity law requires the trustees 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).

The trustees 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 charity, and of its net income or expenditure, for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the College will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations and the provisions of the College's statutes. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Governing Body on 30 November 2022 and signed on its behalf by:



Right Honourable Baroness Valerie Amos CH PC

Master

## **Independent Auditor's Report to the Trustees of University College Oxford**

### **Opinion**

We have audited the financial statements of University College Oxford (the "Parent Charity") and its subsidiary (together, the "Group") for the year ended 31 July 2022, which comprise:

- the Group Statement of Financial Activities for the year ended 31 July 2022;
- the Group and Parent Charity Balance Sheets as at 31 July 2022;
- the Group Cash Flow Statement for the year then ended; and
- the notes to the financial statements, including significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charity's affairs as at 31 July 2022 and of the Group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent 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 as applied to listed entities, 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 trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the trustees' assessment of the Group's and Parent Charity's ability to continue to adopt the going concern basis of accounting included:

- considering the cash position of the Charity along with current facilities available; and
- reviewing the cash expenditure model provided by management and challenging the assumptions made.

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 Group's and Parent Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

## **Independent auditor's report to the trustees of University College**

**Year ended 31 July 2022**

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

### **Overview of our audit approach**

#### *Materiality*

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the Group financial statements as a whole to be £5.95m (2021 £5.30m), based on 2% of gross assets. In addition, we determined a lower materiality level applicable for particular classes of transactions, account balances or disclosures. This has been set at £0.3m which represents approximately 2% of income, and is applied to transactions and all account balances with the exception of fixed assets. Materiality for the Parent Charity financial statements as a whole was set at £5.98m (2021: £5.30m) based on 2% of gross assets.

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. The performance materiality used for income was £378k (2021: £214k) whilst £4.965m was used for fixed assets (2021: £4.40m) for the group and £4.965m (PY £4.4m) for the parent.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and trustee's remuneration.

We agreed with the Audit Committee to report to it all identified errors in excess of £22.7k (2021: £16k). Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

#### *Overview of the scope of our audit*

The audit procedures have been carried out solely by Crowe U.K. LLP. We performed an audit of the complete financial information of University College Oxford and its subsidiary. Our audit was conducted at University College Oxford. Our audit approach was risk based and founded on a thorough understanding of the College's activities, its environment and risk profile.

#### *Key Audit Matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

## Independent auditor's report to the trustees of University College

Year ended 31 July 2022

<b>Key audit matter</b>	<b>How the scope of our audit addressed the key audit matter</b>
<p><i>Income recognition on charitable activities and donations &amp; legacies (notes 1 and 2)</i></p> <p>The key risks in this area were identified as follows.</p> <ul style="list-style-type: none"><li>• Completeness (has all income due been appropriately recognised in the period?).</li><li>• Benefit (has income been recognised in the appropriate period?).</li><li>• Fund allocation (have donor restrictions on the use of the income been appropriately captured in the financial statements?).</li><li>• Valuation (where income is owed at year end, is it likely to be received or should it be provided against?).</li></ul>	<p>Our audit work in this area has included the following:</p> <ul style="list-style-type: none"><li>• Comparing the Collegiate Funding Formula ("CFF") calculation to the amounts included in the financial statements.</li><li>• Performing detailed testing on residential, conference and other trading income, tracing a sample of transactions from the source documentation through to the nominal ledger and the Statement of Financial Activities to ensure completeness of income.</li><li>• Completing detailed testing on voluntary income, tracing a sample of transactions from source documentation through to the nominal ledger to ensure completeness of income. In addition, we reviewed board meeting minutes to ensure any donations and legacies the College are entitled to have been captured in the financial statements.</li><li>• For income owed at the year end we traced receipt through to bank receipt, where amounts were outstanding we were satisfied this was in line with an agreed payment plan.</li><li>• We ensured that restricted and endowment income is appropriately captured, recorded and disclosed in the financial statements.</li></ul> <p>Our testing did not identify any material misstatements in the income recognised during the year.</p>
<p><i>Investment property (note 9)</i></p> <p>The College has a significant property portfolio, with a carrying value of £82.4m, which is classified as Investment property for financial reporting purposes and carried at fair value in accordance with Financial Reporting Standard 102.</p> <p>The valuation of property required significant judgement and estimates by management and the external valuer. Any input inaccuracies or</p>	<p>Our audit work included, but was not restricted to:</p> <ul style="list-style-type: none"><li>• We evaluated the competence of the external valuer which included consideration of their independence, qualifications and expertise.</li><li>• Evaluating the valuations performed by professional valuers and comparing movements in valuation to observable market data and wider market trends.</li></ul>



## Independent auditor's report to the trustees of University College

Year ended 31 July 2022

<b>Key audit matter</b>	<b>How the scope of our audit addressed the key audit matter</b>
<p>unreasonable bases used in these judgements could result in a material misstatement of the Statement of Financial Activities and Balance Sheet.</p> <p>There is also a risk that management may bias the significant judgements and estimates in respect of property valuations in order to influence property valuation.</p>	<ul style="list-style-type: none"><li>• Discussing and challenging the assumptions made by the valuers to understand the basis of their valuation for those properties outside of our range of expectations.</li></ul> <p>Our testing did not identify any material misstatements in the valuation of investment properties.</p>
<p><i>Accounting for the Al Duca financing arrangement (accounting policy 10(d))</i></p> <p>The College entered into the 'Al Duca' philanthropic financing arrangement on 1 March 2022. The arrangement is a complex financial instrument. The arrangement includes a Donation agreement and a Distribution agreement.</p> <p>The measurement of a financial liability under the Distribution agreement is based on significant estimates and judgements of management. Key assumptions include those used in Financial Model used to determine the financial liability and the discount rate.</p> <p>At 31 July 2022 the asset of £4.0m created represents the cash received, with a financial liability of £3.4m and gift income of £0.4m and £0.2m finance credit.</p> <p>Given the management judgement involved and the significance of the implementation to the Group and Parent Charity financial statements, we consider this to be a key audit matter.</p>	<p>We confirmed the conclusions reached by management for the accounting treatment for the financing arrangement through review of the signed agreement.</p> <p>We checked the numerical accuracy of the Financial Model prepared by management.</p> <p>We agreed the Financial Model included the key terms of the signed financing agreements.</p> <p>We assessed the appropriateness of the assumptions and key judgements made by management in respect of the discount rate and Financial Model.</p> <p>We also assessed the appropriateness of the disclosures in the Group financial statements in relation to the financial arrangement.</p>

## **Independent auditor's report to the trustees of University College**

**Year ended 31 July 2022**

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Our audit procedures in relation to these matters were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.

### **Other information**

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records ; or
- we have not received all the information and explanations we require for our audit

### **Responsibilities of the trustees for the financial statements**

As explained more fully in the trustees' responsibilities statement set out on page 20, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

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

## **Independent auditor's report to the trustees of University College**

**Year ended 31 July 2022**

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

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

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

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

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

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the parent charity's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the parent charity and the group for fraud. The other laws and regulations we considered in this context for the group were Charity Commission legislation, anti-fraud, bribery and corruption legislation; health and safety legislation as well as employment legislation.

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

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

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and

## **Independent auditor's report to the trustees of University College**

**Year ended 31 July 2022**

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regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

### **Other matters which we are required to address**

Following the recommendation of the audit committee, we were appointed by the Governing Body on 8 June 2018 to audit the College financial statements for the year ended 31 July 2018 and subsequent financial periods.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the College and we remain independent of the College in conducting our audit. We confirm that we have not provided any non-audit services to the College.

Our audit opinion is consistent with the additional report to the audit committee.

### **Use of our report**

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

*Crowe UK LLP*

**Crowe U.K. LLP**

Statutory Auditor

Reading

2 December 2022

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

# UNIVERSITY COLLEGE

## Statement of Accounting Policies

Year ended 31 July 2022

### 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 comprising the consolidation of the College and its wholly owned subsidiary UnivDevCo Limited. The subsidiary has been consolidated from the date of formation, being the date from which the College exercised control through voting rights. Intra-group sales and charges between the College and its subsidiary are excluded from consolidated income and expenditure. Balances between the College and its subsidiary are eliminated on consolidation. A separate SOFA has not been presented for the College as permitted by the Charity Commission. The comparative year figures for the Group comprise only the College.

The accounts of the University College Old Members' Trust ("OMT") have not been consolidated because the College does not control its activities. The net assets of the OMT as at 31 July 2022 were £10.8m (2021: £11.1m). Its incoming resources for the year then ended were £254k (2021: £121k) and it contributed £161k (2021: £160k) to the College during the year.

#### 2) Basis of accounting

The College's financial statements have been prepared in accordance with United Kingdom Accounting Standards, in particular 'FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102).

The College is a public benefit entity for the purposes of FRS 102 and a registered charity. The College has therefore also prepared its 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 SOFA. The College has cash resources and has no further requirement for external funding in excess of current facilities. The Trustees have a high expectation that the College has adequate resources to continue in operational existence for the foreseeable future. In making their assessment the Trustees have considered the impact on the business of COVID-19 including the ability of the College to continue to operate as a College of the University of Oxford. They continue to believe the going concern basis of accounting appropriate in preparing the annual financial statements.

The principal accounting policies adopted are set out below and have been applied consistently throughout the year.

#### 3) Accounting judgements and estimation uncertainty

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the Governing Body to have the most significant effect on amounts recognised in the financial statements.

The College participates in the Universities Superannuation Scheme and the University of Oxford Staff Pension Scheme. These schemes are hybrid pension schemes, providing defined benefits (for members), as well as defined contribution benefits. The assets of the schemes are each held in a separate trustee-administered fund. Because of the mutual nature of the schemes, the assets are not attributed to individual Colleges and scheme-wide contribution rates are set. The College is therefore exposed to actuarial risks associated with other Universities' and Colleges' employees and is unable to identify its share of the underlying assets and liabilities of the scheme 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)

## UNIVERSITY COLLEGE

### Statement of Accounting Policies

Year ended 31 July 2022

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) and therefore an expense is recognised.

The College carries investment property at fair value in the balance sheet, with changes in fair value being recognised in the income and expenditure section of the SOFA. Independent valuations are obtained to determine fair value at the balance sheet date. Properties have been valued individually by independent valuers on the basis of fair value in accordance with the Royal Institution of Chartered Surveyors ("RICS") Valuation – Professional Standards UK, revised April 2015.

On the 1st March 2022 the College entered into two back-to-back structured finance agreements (Donation and Distribution) whereby philanthropic funding would be provided for the College's 'Univ North' development and, in return, the College would commit to distribute the net receipts from bedspace usage from the development for a minimum of 40, and a maximum of 50 years, to a US University nominated by the funder ("Al Duca"). The agreements are accounted for as a single transaction assessed as being a complex financial instrument. The Governing Body has to exercise judgment on the quantum and timing of the anticipated cashflows and the discount rate to be applied to assess the fair value of those flows at the point of receipt and subsequent balance sheet dates.

Before legacies are recognised in the financial statements, the Governing Body has to exercise judgement as to what constitutes sufficient evidence of entitlement to the bequest. Sufficient entitlement has been determined to exist once notification of payment has been received from the executor(s) of the estate or estate accounts are available which indicate there are sufficient funds in the estate after meeting liabilities for the bequest to be paid.

With respect to the next financial year, the most significant areas of estimation uncertainty that affect the carrying value of assets held by the College are the level of investment return and the performance of investment markets.

#### 4) Consolidation

Since the date of formation, UnivDevCo Limited has been consolidated annually although it only began trading during the year. Intra-group sales and charges between the College and UnivDevCo Limited are excluded from consolidated income and expenditure. Balances between the College and UnivDevCo Limited are also eliminated upon consolidation.

#### 5) 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 Students ("OfS") support and other charges for services and the use of premises.

Fees receivable, OfS support and charges for services and use of the premises including contributions received from restricted funds, are recognised in the period in which the related service is provided.

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 College 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.

## UNIVERSITY COLLEGE

### Statement of Accounting Policies

Year ended 31 July 2022

Legacies are recognised following grant of probate and once the College has received sufficient information from the executor(s) of the deceased's estate to be satisfied that the gift can be reliably measured and that the economic benefit to the College is probable.

Donations, grants and legacies accruing for the general purposes of the College are credited to unrestricted funds.

Donations, grants and legacies-which are subject to conditions as to their use imposed by the donor or set by the terms of an appeal are credited to the relevant restricted fund or, where the donation, grant or legacy is required to be held as capital, to the endowment funds. Where donations are received in kind (as distinct from cash or other monetary assets), they are measured at the fair value of those assets at the date of the gift.

#### c) Investment income

Interest income is recognised using the effective interest method except for interest receivable on bank deposit accounts and from government gilts which are on an accruals basis.

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.

#### d) Government Grants

Grants provided through the Coronavirus Job Retention Scheme are government grants. Income has been recognised under the accruals model whereby income is recognised on a systematic basis over the period in which the College recognises the related payroll costs for which the grant is intended to compensate.

### 5) Expenditure

Expenditure is accounted for on an accruals basis. A liability and related expenditure are recognised when a legal or constructive obligation commits the College to expenditure that will probably require settlement, the amount of which can be reliably measured or estimated.

Grants awarded that are not performance-related are charged as an expense as soon as a legal or constructive obligation for their payment arises. Grants subject to performance-related conditions are expensed as the specified conditions of the grant are met.

All expenditure including support costs and governance costs are allocated or apportioned to the applicable expenditure categories in the SOFA.

Support costs which include 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.

### 6) Leases

Leases of assets that transfer substantially all the risks and rewards of ownership are classified as finance leases. The costs of the assets held under finance leases are included within fixed assets and depreciation is charged over the shorter of the lease term and the assets' useful lives. Assets are assessed for impairment at each reporting date. The corresponding capital obligations under these leases are shown as liabilities and recognised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. Lease payments are apportioned between capital repayment and finance charges in the SOFA so as to achieve a constant rate of interest on the remaining balance of the liability.

## UNIVERSITY COLLEGE

### Statement of Accounting Policies

Year ended 31 July 2022

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Rentals payable under operating leases are charged in the SOFA on a straight-line basis over the relevant lease terms. Any lease incentives are recognised over the lease term on a straight-line basis.

#### 7) Tangible fixed assets

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Under FRS 102, the College has elected to use the fair value of certain land holdings as a 'deemed cost'. The valuation was undertaken by Carter Jonas, Chartered Surveyors, in accordance with the RICS Valuation – Professional Standards UK, revised in April 2015, for valuations for inclusion in financial statements prepared in accordance with revised UK Generally Accepted Accounting Principles ("GAAP") procedures (note 8).

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 £10,000 together with expenditure on equipment costing more than £10,000 is capitalised.

Where a part of a building or equipment is replaced and the costs capitalised, the carrying value of those parts replaced is derecognised and expensed in the SOFA.

Other expenditure on equipment incurred in the normal day-to-day running of the College and its subsidiary is charged to the SOFA as incurred.

#### 8) Depreciation

Depreciation is provided to write off the cost of all relevant tangible fixed assets, less their estimated residual value, in equal annual instalments over their expected useful economic lives as follows:

Freehold properties, including major extensions	50 years
Leasehold properties	50 years or period of lease if shorter
Educational papers and documents	50 years
Fixtures, fittings and equipment	5 years

Freehold land is not depreciated. The costs of maintenance are charged in the SOFA in the period in which they are 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.

#### 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 directly observable market value are initially measured at their cost 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



## UNIVERSITY COLLEGE

### Statement of Accounting Policies

Year ended 31 July 2022

available from their respective fund managers. These use significant unobservable inputs in their valuation techniques.

Changes in fair value and gains and losses arising on the disposal of investments are credited or charged to the SOFA as 'gains or losses on investments' and are allocated to the fund holding or disposing of the relevant investment.

Cash and cash equivalents are held within investment funds to provide liquid funds for investment opportunities and to provide adequate availability of funds in the event of major shocks to the world financial markets.

#### 10) Other financial instruments

##### a) 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.

##### b) Debtors and creditors

Debtors and creditors receivable or payable within one year of the reporting date are initially recognised at their transaction price and subsequently measured at amortised cost. 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 and subsequently measured at amortised cost.

##### c) Bonds liability

On 28 April 2015 the College issued £40m of 3.068% unsecured bonds due April 2065. They are treated as a basic financial instrument. The bonds were initially measured at the proceeds of issue less all transaction costs directly attributable to the issue. After initial recognition the bonds are measured at amortised cost (note 14).

On 30 March 2017 the College issued an unsecured Senior Note of £10m with an interest rate of 2.53% repayable in March 2057. It is treated as a basic financial instrument. The Senior Note was initially measured at the proceeds of issue less all transaction costs directly attributable to the issue. After initial recognition the Senior Note is measured at amortised cost (note 15).

##### d) "Al Duca" funding arrangement

On the 1st March 2022 the College entered into two back-to-back structured finance agreements (Donation and Distribution) whereby philanthropic funding would be provided for the College's 'Univ North' development and, in return, the College would commit to distribute the net receipts from bedspace usage from the development for a minimum of 40, and a maximum of 50 years, to a US University nominated by the funder. The agreements are accounted for as a single transaction assessed as being a complex financial instrument.

On each and every receipt under the Donation Agreement, a liability under the Distribution agreement is calculated at fair value (see Note 23). Any difference in the fair value of the liability under the Distribution agreement and the remittance under the Donation agreement is recognised as donation income in the SOFA. At subsequent balance sheet dates, any change in the fair value of the liability under the Distribution agreement is subsequently recognised as a finance charge or credit.

The total pledged under the structured funding agreement is \$35m. The first payment in April 2022 was \$5m. With each subsequent receipt the College will recalculate the liability arising from the commitment to distribute the proportion of its receipts, net of costs, from the new build. The liability will be recalculated at each subsequent balance sheet date at fair value. The basis of the calculation of fair value is discounted cash flow.

# UNIVERSITY COLLEGE

## Statement of Accounting Policies

Year ended 31 July 2022

### 11) Stock

Stocks are valued at the lower of cost and net realisable value, cost being the purchase price on a first in, first out basis.

### 12) Foreign currencies

The functional and presentation currency of the College and its subsidiary is the pound sterling.

Transactions denominated in foreign currencies during the year are translated into pounds sterling using the spot exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into pounds sterling at the rates applying at the reporting date. Foreign exchange gains and losses resulting from the settlement of transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the exchange rates at the reporting date are recognised in the income and expenditure section of the SOFA.

### 13) Fund accounting

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

Unrestricted funds can be used in furtherance of the object 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 that the capital be maintained and the income used for specific purposes.

Permanent endowment funds arise where donors specify that the funds should be retained as capital for the permanent benefit of the College. Any income arising from the capital will be accounted for as unrestricted funds unless the donor has placed restrictions on the use of that income, in which case it will be accounted for as a restricted fund.

Expendable endowment funds are similar to permanent endowment funds 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 its discretion determine to spend all or part of the capital.

### 14) Pension costs

The costs of retirement benefits provided to employees of the College through two multi-employer hybrid pension schemes (benefits are based on salaries as well as benefits based on contributions) are accounted for as if these were defined contribution schemes as information is not available to use defined benefit accounting in accordance with the requirements of FRS 102. The College's contributions to these schemes are recognised as a liability and an expense in the period in which the salaries to which the contributions relate are payable.

In addition, a liability is recognised at the balance sheet date for the discounted value of the expected future contribution payments under the agreements with these multi-employer schemes to fund the past service deficits.

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

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2022 Total £'000	2021 Total £'000
<b>INCOME AND ENDOWMENTS FROM:</b>						
<b>Charitable activities:</b>						
Teaching, research and residential	1	7,281	307	-	7,588	5,544
<b>Donations and legacies</b>	2	2,024	6,333	2,049	10,406	8,384
<b>Investments</b>						
Investment income	3	1,235	68	3,685	4,988	4,886
Total return allocated to income	12	-	3,790	(3,790)	-	-
<b>Other income</b>						
Government Grants		168	-	-	168	316
Other		-	-	-	-	1
<b>Total income</b>		<b>10,708</b>	<b>10,498</b>	<b>1,944</b>	<b>23,150</b>	19,131
<b>EXPENDITURE ON:</b>						
<b>Charitable activities:</b>	4					
Teaching, research and residential		9,163	3,334	-	12,497	11,861
<b>Generating funds:</b>						
Fundraising		262	896	-	1,158	894
Investment management costs		337	14	820	1,171	1,473
Interest payable on bond and senior note		1,480	-	-	1,480	1,480
<b>Total Expenditure</b>		<b>11,242</b>	<b>4,244</b>	<b>820</b>	<b>16,306</b>	15,708
<b>Net Income before gains</b>		<b>(534)</b>	<b>6,254</b>	<b>1,124</b>	<b>6,844</b>	3,423
Net gains/(loss) on investments	9, 10	476	92	3,538	4,106	13,061
<b>Net Income/(expenditure)</b>		<b>(58)</b>	<b>6,346</b>	<b>4,662</b>	<b>10,950</b>	16,484
<b>Transfers between funds</b>	16,12	-	-	-	-	-
<b>Other recognised gains/losses</b>						
Gains/(losses) on revaluation of fixed assets		924	-	-	924	-
<b>Net movement in funds for the year</b>		<b>866</b>	<b>6,346</b>	<b>4,662</b>	<b>11,874</b>	16,484
Fund balances brought forward	16	72,300	10,823	142,413	225,536	209,052
<b>Funds carried forward at 31 July</b>		<b>73,166</b>	<b>17,169</b>	<b>147,075</b>	<b>237,410</b>	225,536

University College  
Consolidated and College Balance Sheets  
As at 31 July 2022  
Charity No. 1141259

	Notes	2022 Group £'000	2021 Group £'000	2022 College £'000	2021 College £'000
<b>FIXED ASSETS</b>					
Tangible assets	8	59,714	61,259	59,714	61,259
Property investments	9	82,388	75,699	82,388	75,699
Other investments	10	124,504	120,528	124,504	120,528
<b>Total Fixed Assets</b>		<b>266,606</b>	<b>257,486</b>	<b>266,606</b>	<b>257,486</b>
<b>CURRENT ASSETS</b>					
Stocks		73	63	73	63
Debtors	13	7,038	6,254	7,038	6,254
Cash at bank and in hand		23,901	15,556	23,895	15,556
<b>Total Current Assets</b>		<b>31,012</b>	<b>21,873</b>	<b>31,006</b>	<b>21,873</b>
<b>LIABILITIES</b>					
Creditors: Amounts falling due within one year	14	3,788	2,392	3,788	2,392
<b>NET CURRENT ASSETS</b>		<b>27,224</b>	<b>19,481</b>	<b>27,218</b>	<b>19,481</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>293,830</b>	<b>276,967</b>	<b>293,824</b>	<b>276,967</b>
<b>CREDITORS: falling due after more than one year</b>	15	<b>52,813</b>	<b>49,398</b>	<b>52,813</b>	<b>49,398</b>
<b>NET ASSETS BEFORE PENSION ASSET OR LIABILITY</b>		<b>241,017</b>	<b>227,569</b>	<b>241,011</b>	<b>227,569</b>
Defined benefit pension scheme liability	20	3,607	2,033	3,607	2,033
<b>TOTAL NET ASSETS</b>		<b>237,410</b>	<b>225,536</b>	<b>237,404</b>	<b>225,536</b>
<b>FUNDS OF THE COLLEGE</b>					
Endowment funds		147,075	142,413	147,075	142,413
Restricted funds		17,169	10,823	17,169	10,823
Unrestricted funds					
Designated funds		68,216	68,450	68,216	68,450
General funds		4,026	3,850	4,020	3,850
Revaluation reserve		924	-	924	-
		<b>237,410</b>	<b>225,536</b>	<b>237,404</b>	<b>225,536</b>

The financial statements were approved and authorised for issue by the Governing Body of University College on 30 November 2022.

Trustee: Right Honourable Baroness Valerie Amos CH PC

Trustee: Dr Andrew I Grant

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

	Notes	2022 £'000	2021 £'000
<b>Net cash used in operating activities</b>	24	<b>3,934</b>	4,930
<b>Cash flows from investing activities</b>			
Dividends, interest and rents from investments		4,988	4,886
Investment management expenses		(1,171)	(1,473)
Proceeds from the sale of property, plant and equipment		547	705
Purchase of property, plant and equipment		(290)	(1,746)
Proceeds from sale of investments		20,157	16,111
Purchase of investments		(28,491)	(8,182)
<b>Net cash provided by investing activities</b>		<b>(4,260)</b>	10,301
<b>Cash flows from financing activities</b>			
Interest payable on bond and senior note		(1,480)	(1,480)
Cash inflows from AI Duca funding		3,400	-
Receipt of endowment donations		2,049	863
<b>Net cash provided by financing activities</b>		<b>3,969</b>	(617)
<b>Change in cash and cash equivalents in the reporting period</b>		<b>3,643</b>	14,614
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b>39,710</b>	25,383
<b>Change in cash and cash equivalents due to exchange rate movements</b>		<b>1,357</b>	(287)
<b>Cash and cash equivalents at the end of the reporting period</b>	26	<b>44,710</b>	39,710

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

1 INCOME FROM CHARITABLE ACTIVITIES

	2022 £'000	2021 £'000
<b>Teaching, Research and Residential</b>		
Unrestricted funds		
Tuition fees - UK and EU students	1,849	1,816
Tuition fees - Overseas students	1,142	1,037
Other OfS support	269	316
Other academic income	58	40
College residential income	3,963	2,053
	<u>7,281</u>	<u>5,262</u>
Restricted funds		
Other academic income	307	282
<b>Total Teaching, Research and Residential Income</b>	<u>7,588</u>	<u>5,544</u>

The above analysis includes £3,261k received from Oxford University from publicly accountable funds under the CFF Scheme (2021: £2,974k).

2 DONATIONS AND LEGACIES

	2022 £'000	2021 £'000
<b>Donations and Legacies</b>		
Unrestricted funds	2,024	2,881
Restricted funds	6,333	4,640
Endowed funds	2,049	863
	<u>10,406</u>	<u>8,384</u>

3 INVESTMENT INCOME

	2022 £'000	2021 £'000
<i>Unrestricted funds</i>		
Agricultural rent	23	28
Commercial rent	974	1,027
Other property income	42	57
Equity dividends	112	280
Income from fixed interest stocks	34	14
Interest on fixed term deposits and cash	50	-
	<u>1,235</u>	<u>1,406</u>
<i>Restricted funds</i>		
Agricultural rent	3	1
Commercial rent	43	50
Other property income	8	3
Equity dividends	11	14
Income from fixed interest stocks	3	1
	<u>68</u>	<u>69</u>
<i>Endowed funds</i>		
Agricultural rent	138	129
Commercial rent	2,596	2,065
Other property income	235	315
Equity dividends	499	197
Income from fixed interest stocks	151	643
Interest on fixed term deposits and cash	66	62
	<u>3,685</u>	<u>3,411</u>
<b>Total Investment income</b>	<u>4,988</u>	<u>4,886</u>

4 ANALYSIS OF EXPENDITURE

	2022 £'000	2021 £'000
<b>Charitable expenditure</b>		
Direct staff costs allocated to:		
Teaching, research and residential	5,002	5,042
Other direct costs allocated to:		
Teaching, research and residential	4,499	5,191
Support and governance costs allocated to:		
Teaching, research and residential	2,996	1,628
<b>Total charitable expenditure</b>	<u>12,497</u>	<u>11,861</u>

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

4	ANALYSIS OF EXPENDITURE (CONTINUED)	2022 £'000	2021 £'000
	Expenditure on generating funds		
	Direct staff costs allocated to:		
	Fundraising	529	570
	Other direct costs allocated to:		
	Fundraising	225	153
	Investment management costs	328	696
	Interest payable on bond and senior note	1,480	1,480
	Support and governance costs allocated to:		
	Fundraising	404	171
	Investment management costs	843	777
	<b>Total expenditure on generating funds</b>	<b>3,809</b>	<b>3,847</b>
	<b>Total expenditure</b>	<b>16,306</b>	<b>15,708</b>

The 2021 resources expended of £15,708k represented £9,797k from unrestricted funds, £4,729k from restricted funds and £1,182k from endowed funds.

The teaching and research costs include College Contribution paid of £130k (2021:£122k).

5 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

	Generating Funds £'000	Teaching and Research £'000	2022 Total £'000
Financial administration	331	537	868
Domestic administration	39	353	392
Human resources	-	110	110
IT	8	157	165
Depreciation	-	820	820
Profit on sale of fixed assets	-	(177)	(177)
Finance charge/(credit) on Al Duca funding	-	(236)	(236)
Investment management	562	-	562
Other finance (income)/charges	241	1,366	1,607
Governance costs	66	66	132
	<b>1,247</b>	<b>2,996</b>	<b>4,243</b>

	Generating Funds £'000	Teaching and Research £'000	2021 Total £'000
Financial administration	325	520	845
Domestic administration	32	288	320
Human resources	-	110	110
IT	8	150	158
Depreciation	-	868	868
Profit on sale of fixed assets	-	(156)	(156)
Investment management	557	-	557
Other finance charges/(income)	(37)	(213)	(250)
Governance costs	64	62	126
	<b>949</b>	<b>1,629</b>	<b>2,578</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 equally between generating funds and teaching and research.

	2022 £'000	2021 £'000
<b>Governance costs comprise:</b>		
Auditor's remuneration - audit services	44	45
Legal and other fees on constitutional matters	1	2
Other governance costs	87	79
	<b>132</b>	<b>126</b>

5 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS (CONTINUED)

No amount has been included in governance costs for the direct employment costs or reimbursed expenses of the College's Teaching 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.

6 GRANTS AND AWARDS	2022 £'000	2021 £'000
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	259	105
Bursaries and hardship awards	37	22
Total unrestricted	296	127
Restricted funds		
Grants to individuals:		
Scholarships, prizes and grants	887	924
Bursaries and hardship awards	219	253
Total restricted	1,106	1,177
Total grants and awards	1,402	1,304

Within the total grants and awards figure of £1,402k above, is the cost to the College of the Oxford Bursary scheme of £82k (2021:£91k ). Students of this college received £62k (2021: £70k).

The above costs are included within the charitable expenditure on Teaching, Research and Residential.

The College has opted to take the exemption available for charity trusts registered in England and Wales to not disclose the names of grant recipients.

7 STAFF COSTS

The aggregate staff costs for the year were as follows.	2022 £'000	2021 £'000
Salaries and wages	5,297	5,312
Social security costs	493	479
Pension costs:		
Defined benefit schemes	934	962
Increase/(Decrease) in Pension deficit recovery plan liability	1,574	(273)
Other benefits	247	201
	8,545	6,681
The average number of employees of the College, excluding Trustees,	2022	2021
Tuition and research	51	50
College residential	94	101
Fundraising	11	12
Support	18	17
Total	174	180
The average number of employed College Trustees during the year was as follows.		
University Lecturers	24	25
CUF Lecturers	7	9
Other teaching and research	5	9
Other	6	6
Total	42	49



7 STAFF COSTS (CONTINUED)

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 (not covered in Note 19) during the year whose gross pay and benefits (excluding employer NI and pension contributions) fell within the following bands was:

	2022	2021
£60,001-£70,000	2	1
£70,001-£80,001	1	1

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

In defined benefits schemes	3	2
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8 TANGIBLE FIXED ASSETS

Group and College

	Assets under Construction	Land and Buildings: General	Fixtures, fittings and equipment	Total
	£'000	£'000	£'000	£'000
<b>Cost or deemed cost</b>				
At start of year	-	68,120	2,557	70,677
Reclassification	7,956	(7,956)	-	-
Additions	156	92	42	290
Transfers to investment properties *	-	(911)	-	(911)
Disposals	-	(467)	-	(467)
<b>At end of year</b>	<b>8,112</b>	<b>58,878</b>	<b>2,599</b>	<b>69,589</b>
<b>Depreciation and impairment</b>				
At start of year	-	7,171	2,247	9,418
Depreciation charge for the year	-	689	130	819
Transfers to investment properties *	-	(265)	-	(265)
Depreciation on disposals	-	(97)	-	(97)
Impairment	-	-	-	-
<b>At end of year</b>	<b>-</b>	<b>7,498</b>	<b>2,377</b>	<b>9,875</b>
<b>Net book value</b>				
<b>At end of year</b>	<b>8,112</b>	<b>51,380</b>	<b>222</b>	<b>59,714</b>
At start of year	-	60,949	310	61,259

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.

\* During the year 224 Woodstock Rd which had a net book value of £646k was transferred from Tangible Fixed assets into Investment Property assets at a market valuation of £1,570k giving rise to a revaluation gain of £924k that is held within a separate designated fund ( See Note 16).

9 PROPERTY INVESTMENTS

Group and College

	Agricultural	Commercial	2022	2021
	£'000	£'000	Total £'000	Total £'000
Valuation at start of year	11,467	64,232	75,699	73,223
Additions and improvements at cost	-	-	-	2,044
Transfers from Tangible Fixed Assets *	-	1,570	1,570	-
Revaluation gains/(losses) in the year	-	5,119	5,119	432
<b>Valuation at end of year</b>	<b>11,467</b>	<b>70,921</b>	<b>82,388</b>	<b>75,699</b>

\* During the year 224 Woodstock Rd which had a net book value of £646k was transferred from Tangible Fixed assets into Investment Property assets at a market valuation of £1,570k giving rise to a revaluation gain of £924k that is held within a separate designated fund ( See Note 16).

9 PROPERTY INVESTMENTS (CONTINUED)

Estates land and property valuations as at 31 July 2022 have been made by the College's land agents, three independent firms of Chartered Surveyors: Cluttons, Carter Jonas and Stephenson & Son. The basis of valuation being market valuation i.e. the estimated amount for which the asset should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

Either an income valuation approach, capitalising the anticipated future rental income at appropriate multiplier(s) and/or the market approach adopting a capital value per unit of measurement based on market transactional evidence has been followed. The resulting values have been checked against recent market evidence derived from comparable transactions.

10 OTHER INVESTMENTS

All investments are held at fair value.

	2022 £'000	2021 £'000
<b>Group and College</b>		
Valuation at start of year	120,528	115,334
New money invested	28,491	6,138
Amounts withdrawn	(20,157)	(16,111)
Increase in cash held by fund manager	(3,345)	2,538
Increase in value of investments	(1,013)	12,629
<b>Investments at end of year</b>	<b>124,504</b>	<b>120,528</b>

Group and College Investments comprise:	Held outside the UK £'000	Held in the UK £'000	2022 Total £'000	Held outside the UK £'000	Held in the UK £'000	2021 Total £'000
Equity investments	23,118	10,100	33,218	23,569	10,658	34,227
Global equity funds	27,560	4,631	32,191	23,086	6,371	29,457
Property funds	-	10,201	10,201	-	8,610	8,610
Fixed interest stocks	15,222	7,004	22,226	3,815	16,577	20,392
Alternative and other investments	2,108	3,751	5,859	763	2,925	3,688
Fixed term deposits and cash	-	20,809	20,809	-	24,154	24,154
<b>Total investments</b>	<b>68,008</b>	<b>56,496</b>	<b>124,504</b>	<b>51,233</b>	<b>69,295</b>	<b>120,528</b>

11 PARENT AND SUBSIDIARY UNDERTAKINGS

The College holds 100% of the issued share capital in UnivDevCo Limited, a company providing design and build construction services to the College.

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

	2022		2021	
	Parent College	UnivDevCo Limited	Parent College	UnivDevCo Limited
	£'000	£'000	£'000	£'000
Income	23,196	1,843	19,131	-
Expenditure	(16,601)	(1,789)	(15,708)	-
Donation to College under gift aid	54	(54)	-	-
Net result before investments gains	6,649	-	3,423	-
Total assets	297,612	364	279,359	-
Total liabilities	(60,208)	(364)	(53,823)	-
Net funds at the end of year	237,404	-	225,536	-

12 STATEMENT OF INVESTMENT TOTAL RETURN

The Trustees have adopted a duly authorised policy of total return accounting for the College investment returns with effect from 1 August 2020. The investment return to be applied as income is calculated as 3.5% of the average of the inflation adjusted year-end values of the relevant investments in each of the last 3 years. The preserved value of the invested endowment capital represents its fair value in 2003 together with all subsequent endowments valued at date of the gift.

	Permanent Endowment Trust for Investment £'000	Unapplied Total Return £'000	Total £'000	Expendable Endowment £'000	Total Endowments £'000
<b>At the beginning of the year:</b>					
Gift component of the permanent endowment	57,771		57,771		57,771
Unapplied total return		49,299	49,299		49,299
Expendable endowment				35,343	35,343
<b>Total Endowments</b>	<b>57,771</b>	<b>49,299</b>	<b>107,070</b>	<b>35,343</b>	<b>142,413</b>
<b>Movements in the reporting period:</b>					
Gift of endowment funds	139		139	1,910	2,049
Recoupment of trust for investment		-	-		-
Allocation from trust for investment	-	-	-		-
Investment return: total investment income		1,932	1,932	1,753	3,685
Investment return: realised and unrealised gains and losses		2,599	2,599	939	3,538
Less: Investment management costs		(370)	(370)	(450)	(820)
Other transfers		-	-	-	-
<b>Total</b>	<b>139</b>	<b>4,161</b>	<b>4,300</b>	<b>4,152</b>	<b>8,452</b>
Unapplied total return allocated to income in the reporting period		(2,629)	(2,629)	(1,161)	(3,790)
Expendable endowments transferred to income			-		-
	-	(2,629)	(2,629)	(1,161)	(3,790)
<b>Net movements in reporting period</b>	<b>139</b>	<b>1,532</b>	<b>1,671</b>	<b>2,991</b>	<b>4,662</b>
<b>At end of the reporting period:</b>			-		
Gift component of the permanent endowment	57,910	-	57,910		57,910
Unapplied total return		50,831	50,831		50,831
Expendable endowment				38,334	38,334
<b>Total Endowments</b>	<b>57,910</b>	<b>50,831</b>	<b>108,741</b>	<b>38,334</b>	<b>147,075</b>

13 DEBTORS

	2022 Group £'000	2021 Group £'000	2022 College £'000	2021 College £'000
Amounts falling due within one year:				
Trade debtors	966	1,110	966	1,110
Amounts owed by College members	376	252	376	252
Loans repayable within one year	123	849	123	849
Prepayments and accrued income	5,385	3,866	5,385	3,866
Other debtors	188	177	188	177
	<b>7,038</b>	<b>6,254</b>	<b>7,038</b>	<b>6,254</b>

14 CREDITORS: falling due within one year

	2022 Group £'000	2021 Group £'000	2022 College £'000	2021 College £'000
Trade creditors	1,283	333	1,283	333
Taxation and social security	211	187	211	187
Accruals and deferred income	1,924	1,520	1,924	1,520
Other creditors	370	352	370	352
	<b>3,788</b>	<b>2,392</b>	<b>3,788</b>	<b>2,392</b>

15 CREDITORS: falling due after more than one year

	2022 Group £'000	2021 Group £'000	2022 College £'000	2021 College £'000
AI Duca fair value	3,400	-	3,400	-
Bonds and Senior Note liabilities	49,413	49,398	49,413	49,398
	<b>52,813</b>	<b>49,398</b>	<b>52,813</b>	<b>49,398</b>

On the 1st March 2022 the College entered into two agreements ("AI Duca") whereby philanthropic funding would be provided for the College's North Oxford development and in return the College would commit to distribute the net returns from the development for a minimum of 40, and a maximum of 50 years, to a US University nominated by the funder. The back to back agreements are assessed as being a complex financial instrument and as such the liability under the distribution agreement is calculated at fair value.

Fair value is calculated using a discounted cash flow approach on the model of predicted receipts, net of costs, from the new build rooms at the Univ North development.

On 28 April 2015 the College issued £40m of 3.068% unsecured bonds due April 2065 ("the bonds"). The bonds were issued at par. The proceeds of issue, less directly attributable transaction costs, amounted to £39.472m. Interest is payable on 28 April and 28 October each year. The bonds are listed on the London Stock Exchange. Unless previously redeemed, the bonds will be redeemed at their principal amount of £40m on 28 April 2065.

On 30 March 2017 the College issued an unsecured Senior Note of £10m with an interest rate of 2.53% and repayable on 30 March 2057 ("the note"). The note was issued at par. The proceeds of issue, less directly attributable transaction costs, amounted to £9.836m. Interest is payable on the 30 March and 30 September each year. The note is not listed. Unless previously redeemed, the note will be redeemed at its principal amount of £10m on 30 March 2057.

Both the bond and senior note were initially measured at the proceeds of issue less all transaction costs directly attributable to their issues. After initial recognition, both are measured at amortised cost.

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

16 ANALYSIS OF MOVEMENTS ON FUNDS

	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>						
Dr Radcliffe's Linton Estate (1714)	13,508	268	(52)	(481)	360	<b>13,603</b>
Oxford Radcliffe Scholarships (2013)	12,565	217	(42)	(397)	293	<b>12,636</b>
Univ 20/20 Strategy (2007)	7,858	115	(22)	-	156	<b>8,107</b>
Univ 20/20 Endowment (2007)	5,755	116	(22)	(205)	159	<b>5,803</b>
Radcliffe Travelling Fellow(1858)	6,895	117	(22)	-	158	<b>7,148</b>
J G Weir (1954)	5,141	99	(19)	(183)	134	<b>5,172</b>
John Freeston Trust (1592)	3,049	60	(12)	(108)	81	<b>3,070</b>
Maintenance Trust Fund (1932)	2,243	44	(9)	(80)	60	<b>2,258</b>
Sir E A Wallis Budge (1935)	2,129	40	(8)	(15)	54	<b>2,200</b>
Sanderson Modern History Fellow (2012)	1,950	40	(8)	(40)	53	<b>1,995</b>
Harold Salvesen Junior Fellow (1964)	1,828	27	(5)	-	37	<b>1,887</b>
Margaret Candfield English (1997)	1,827	35	(7)	(58)	47	<b>1,844</b>
McConnell Laing Classics (1999)	1,813	38	(7)	(64)	51	<b>1,831</b>
The Bouverie Trust (1979)	1,609	-	-	-	-	<b>1,609</b>
Oxford Chellgren Graduate Scholarship (2011)	1,587	28	(5)	(28)	38	<b>1,620</b>
Tacchi Fellowship (2008)	1,482	31	(6)	(53)	42	<b>1,496</b>
Dunhill Foundation Trust (1988)	1,445	29	(5)	(9)	39	<b>1,499</b>
Goodman Fellowship Fund (1986)	1,433	23	(4)	-	31	<b>1,483</b>
Schrecker Slavonic Studies (2007)	1,429	29	(5)	(51)	38	<b>1,440</b>
O.M. Organic Chemistry Fellow (1990)	1,419	28	(5)	(51)	38	<b>1,429</b>
Scott JRF Fund (2001)	1,396	29	(6)	(38)	39	<b>1,420</b>
Swire Graduate History Scholarship (2012)	1,293	26	(5)	(15)	34	<b>1,333</b>
Oxford Anderson History Graduate Scholarship (2014)	1,270	30	(6)	(45)	40	<b>1,289</b>
Modern History Fund (1999)	1,237	22	(4)	(44)	31	<b>1,242</b>
Robert Mynors (1922)	1,237	25	(5)	(44)	33	<b>1,246</b>
Modern History Fund II (2001)	1,216	32	(6)	(43)	41	<b>1,240</b>
Rayne Physics (1980)	1,110	22	(4)	(40)	30	<b>1,118</b>
Oxford Burma Graduate Scholarship (2016)	1,085	22	(4)	(36)	30	<b>1,097</b>
Pye Fellowship (1998)	1,071	21	(4)	(38)	29	<b>1,079</b>
Levison Physics (1996)	1,058	21	(4)	(38)	28	<b>1,065</b>
Henni Mester (2005)	982	17	(3)	(17)	23	<b>1,002</b>
43 Other Funds	17,150	418	(54)	(408)	372	<b>17,478</b>
<b>Endowment Funds - Expendable</b>						
Univ. Capital Fund	22,338	1,508	(402)	(770)	607	<b>23,281</b>
Hoffman Law Fellowship	1,921	40	(8)	(68)	54	<b>1,939</b>
Oxford-Univ-Rhodes Graduate Scholarship (2017)	1,583	62	(9)	(56)	59	<b>1,639</b>
Beacon Programme (2022)	-	1,319	-	-	-	<b>1,319</b>
Ivana and Pavel Tykac Fellowship in Czech (2017)	1,022	153	(1)	(25)	4	<b>1,153</b>
44 Other Funds	8,479	583	(30)	(242)	215	<b>9,005</b>
						-
<b>Total Endowment Funds</b>	<b>142,413</b>	<b>5,734</b>	<b>(820)</b>	<b>(3,790)</b>	<b>3,538</b>	<b>147,075</b>
Endowment funds held by subsidiaries	-	-	-	-	-	-
<b>Total Endowment Funds - Group</b>	<b>142,413</b>	<b>5,734</b>	<b>(820)</b>	<b>(3,790)</b>	<b>3,538</b>	<b>147,075</b>
<b>Restricted Funds</b>						
Univ North Fund (2019)	5,542	5,731				11,273
Geary Hill Fund (1987)	1,672	32	(38)		43	1,709
57 Other Funds	3,609	945	(4,206)	3,790	49	4,187
						-
						-
<b>Total Restricted Funds</b>	<b>10,823</b>	<b>6,708</b>	<b>(4,244)</b>	<b>3,790</b>	<b>92</b>	<b>17,169</b>
Restricted funds held by subsidiaries	-	-	-	-	-	-
<b>Total Restricted Funds - Group</b>	<b>10,823</b>	<b>6,708</b>	<b>(4,244)</b>	<b>3,790</b>	<b>92</b>	<b>17,169</b>

16 ANALYSIS OF MOVEMENTS ON FUNDS (CONTINUED)

	At 1 August 2021 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2022 £'000
<b>Unrestricted Funds</b>						
General	3,850	10,702	(11,242)	(690)	1,400	<b>4,020</b>
Revaluation reserve	-			924		<b>924</b>
Fixed Asset Designated Fund	55,930			(1,613)		<b>54,317</b>
Univ North Designated Fund	6,103			2,195		<b>8,298</b>
Major Repair Fund	1,294			(1,294)		<b>-</b>
Master's Stipend Fund	1,210					<b>1,210</b>
Overbrook Foundation	1,002			15		<b>1,017</b>
17 Other Funds CHECK	2,911			463		<b>3,374</b>
<b>Total Unrestricted Funds</b>	<b>72,300</b>	<b>10,702</b>	<b>(11,242)</b>	<b>-</b>	<b>1,400</b>	<b>73,160</b>
Unrestricted funds held by subsidiaries	-	6	-	-	-	<b>6</b>
<b>Total Unrestricted Funds - Group</b>	<b>72,300</b>	<b>10,708</b>	<b>(11,242)</b>	<b>-</b>	<b>1,400</b>	<b>73,166</b>
<b>Total Funds</b>	<b>225,536</b>	<b>23,150</b>	<b>(16,306)</b>	<b>-</b>	<b>5,030</b>	<b>237,410</b>

17 FUNDS OF THE COLLEGE DETAILS

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

**Dr Radcliffe's Linton Estate (1714)** fund established out of the legacy of Dr John Radcliffe in 1714 to support a variety of College activities.

**Oxford Radcliffe Scholarships (2013)** fund established to endow graduate scholarships.

**Univ 20/20 Strategy (2007)** established as part of the College's re-endowment campaign to provide support for the college's strategy.

**J G Weir (1954)** fund established to provide for a fellowship for the purposes of teaching or research.

**Univ 20/20 Endowment (2007)** established as part of the College's re-endowment campaign to provide a new permanent endowment fund.

**Radcliffe Travelling Fellow (1858)** fund established to provide for medical research fellowships.

**John Freeston Trust (1592)** fund established out of the legacy of John Freeston in 1592 to support the College and Normanton Grammar School.

**Maintenance Trust Fund (1932)** provides for the income of the fund to be applied for or towards the upkeep, maintenance and repair of the College buildings and properties.

**Sir E A Wallis Budge (1935)** fund established out of bequest of Sir Wallis Budge in 1935 to found a scholarship fellowship or lectureship in Egyptology.

**The Bouverie Trust (1979)** fund established to support the study of English at the College.

**Oxford Chellgren Graduate Scholarship (2011)** fund for graduate scholarships.

**Sanderson Modern History Fellow (2012)** fund established to endow a fellowship in Modern History.

**McConnell Laing Classics (1999)** established as part of the College's 750th anniversary campaign to provide for a fellowship in Classics.

**Margaret Candfield English Fellowship** established in 1997 to provide for a fellowship in English.

**Tacchi Fellowship Fund** established in 2008 to provide for a fellowship at the College.

**Dunhill Foundation Trust (1988)** fund established in 1988 to provide for a fellowship at the College in Physiology.

**Schrecker Slavonic Studies (2007)** fund established in 2007 to provide support for Slavonic Studies at the College by endowing the Schrecker-Barbour Fellowship in Slavonic & Eastern European Studies.

**O.M. Organic Chemistry Fellow** fund established in 1990 through the generosity of Old Members' of the College to provide a fellowship in Organic Chemistry.

**Harold Salvesen Junior Fellow (1964)** fund established to endow a junior fellowship at the College.

**Swire Graduate History Scholarship (2012)** fund for graduate scholarships.

**Scott JRF (2001)** fund established to endow two junior research fellowships at the College.

**Modern History Fellowship (1999)** fund established to support tutorial fellowship in History.

**Robert Mynors (1922)** fund exists to support a fellowship in Social Sciences.

**Goodman Fellowship (1986)** fund exists to support a fellowship in Jurisprudence.

**Rayne Physics (1980)** fund exists to support physics.

**Modern History Fellowship II (2001)** fund exists to support a fellowship in Modern History.

**Oxford Burma Graduate Scholarship (2016)** fund for graduate scholarships.

**Pye Fellowship (1998)** fund exists to support a fellowship in Mathematics.

**Oxford Anderson History Graduate Scholarship (2014)** fund for graduate scholarships.

**Levison Physics (1996)** fund for the support of physics.

**Henni Mester Scholarship (2005)** fund for graduate scholarships

**Endowment Funds - Expendable:**

**Univ. Capital Fund** is the consolidation of gifts and donations which can be used for the general purposes of the College.

**Oxford-Univ-Rhodes Graduate Scholarship (2017)** fund for graduate scholarships.

**Hoffman Law Fellowship** fund established to support the costs of a fellow in Law.

**Restricted Funds:**

**Geary Hill Fund (1987)** established to provide a fund for the benefit of the undergraduates at the College.

**Radcliffe Travelling Fellow (1858) income** fund established to provide for medical research fellowships.

**Univ North (2019)** established to provide for the development of the North Oxford site.

**Unrestricted Funds:**

**General fund** represents the accumulated income from the College's activities and other sources that are available for the general purposes of the College. £4.1m has been earmarked to date for the redevelopment & expansion of the North Oxford College site.

**Fixed Asset Designated fund** represented by the fixed assets of the College and therefore are not available for expenditure on the College's general purposes. Transfers are made from the College Capital Fund to match unfunded fixed asset purchases.

**Univ North Designated Fund** is designated for the costs of the North Oxford project.

**Major Repair Fund** is designated for major repairs to College Buildings.

**Master's Stipend Fund** is designated for provision of the stipend of the Master of the College.

**Overbrook Foundation** fund is used at the discretion of the Master to support a range of educational and research projects.

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2022 Total £'000
Tangible fixed assets	59,714	-	-	59,714
Property investments	22,245		60,143	82,388
Other investments	30,831	6,741	86,932	124,504
Net current assets	16,796	10,428	-	27,224
Long term liabilities	(56,420)	-		(56,420)
	73,166	17,169	147,075	237,410

  

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2021 Total £'000
Tangible fixed assets	61,259	-	-	61,259
Property investments	20,439		55,260	75,699
Other investments	32,918	457	87,153	120,528
Net current assets	9,115	10,366	-	19,481
Long term liabilities	(51,431)	-	-	(51,431)
	72,300	10,823	142,413	225,536

19 TRUSTEES' REMUNERATION

The trustees of the College comprise the Governing Body. The Governing Body is constituted from employees of the College who also fulfil teaching and research obligations or management duties.

No trustee receives any remuneration for acting as a trustee.

The remunerations listed below arise solely from their employed duties as tutorial fellows or managers of executive or pastoral activity for the benefit of the College and its members. The disclosures below should be read in this context.

Tutorial fellows are paid on the College's scale according to skill and experience, with most also being a joint appointment with the University of Oxford.

The College's Remuneration Committee makes authoritative recommendations on all matters involving trustees and comprises the Master, the Finance Bursar , the Senior Tutor, a Professorial Fellow and three external members and considers amendments to the College Scale and other stipends and allowances generally following national pay awards. It is appropriately reconstituted when the remuneration of member officers is considered from time to time, informed by competitive benchmarks and University salary scales.

Trustees of the College fall into the following categories:

- Tutorial Fellows
- Professorial Fellows
- Supernumerary Fellows
- Senior Research Fellows
- Chaplain
- Key Management

The key management comprise 5 employees who are also trustees; The Master, Finance Bursar, Domestic Bursar, Senior Tutor and the Development Director who work full time on management or fundraising.

Some trustees who are Tutorial Fellows are eligible for College housing schemes. 2 trustees live in the College or College owned houses or flats.26 receive an allowance for housing which is disclosed within the salary figures below. 2 trustees live in houses owned jointly with the College. Some trustees receive additional allowances for additional work carried out as part time college officers, e.g. Dean. These amounts are included within the remuneration figures below.

The total remuneration and taxable benefits as shown below is £1,638k (2021:£1,644k).

The total of pension contributions is £290k (2021:£294k).

19 TRUSTEES' REMUNERATION (CONTINUED)

The following table sets out the remuneration received as employees of the College (and for the avoidance of doubt, not for acting as trustees):

Remuneration Received as Employees				2022	2021
Trustee Name & Position	Remuneration	Taxable Benefits	Pension Contributions	Total	Total
	£	£	£	£	£
Dr W Allan - Tutorial Fellow	43,975	1,852	10,908	56,735	54,116
Baroness V Amos - Master	111,650	11,810	23,913	147,373	125,809
Dr R Ashdowne - Assistant Senior Tutor	40,537	-	8,682	49,219	48,365
Dr M Barnes - Tutorial Fellow	21,992	1,852	4,710	28,554	27,972
Dr A Bell - Senior Tutor	87,924	-	17,764	105,688	96,289
Professor M Benedikt - Supernumerary Fellow	-	740	-	740	693
Professor J Benesch - Tutorial Fellow	23,754	1,481	4,710	29,945	27,625
Dr J Bryson - Tutorial Fellow	21,992	-	4,710	26,702	33,531
Professor R Chang - Professorial Fellow	-	1,481	-	1,481	1,386
Professor T W Child - Tutorial Fellow	22,692	-	4,444	27,136	27,151
Dr R Chitnis - Tutorial Fellow	10,772	-	2,297	13,069	3,553
Dr S Collins - Tutorial Fellow	28,445	1,481	6,085	36,011	42,473
Mr G J Cox - Development Director **	38,905	926	8,284	48,115	102,812
Sir I M Crewe - The Master **	-	-	-	-	3,327
Dr K L Dorrington - Tutorial Fellow **	2,889	3,556	610	7,055	24,318
Dr M R Filip - Tutorial Fellow	18,910	1,481	4,710	25,101	33,032
Dr M Galpin - Supernumerary Fellow	9,256	740	1,682	11,678	10,587
Dr A I Grant - Finance Bursar	99,599	1,481	-	101,080	99,514
Revd Dr A Gregory - Chaplain	67,145	1,852	13,316	82,313	72,008
Professor N Halmi - Tutorial Fellow	26,612	740	5,700	33,052	31,021
Professor J D Hamkins - Tutorial Fellow **	18,527	8,760	3,452	30,739	78,957
Professor J Hein - Professorial Fellow	-	740	-	740	693
Professor G M Henderson - Senior Research Fellow	2,796	1,852	-	4,648	4,487
Dr C J Holmes - Tutorial Fellow	50,930	1,852	10,908	63,690	62,497
Professor P D Howell - Tutorial Fellow	22,988	1,481	4,710	29,179	28,187
Dr B Jackson - Tutorial Fellow	53,737	5,908	11,207	70,852	57,658
Dr I Jacobs - Supernumerary Fellow	-	740	-	740	693
Professor P Jezzard - Professorial Fellow	5,713	-	1,225	6,938	13,560
Professor A Johnston - Tutorial Fellow	53,886	6,153	11,301	71,340	63,413
Dr P Jones - Tutorial Fellow	22,872	2,862	4,710	30,444	18,918
Dr L Kallet - Tutorial Fellow	7,867	9,069	1,369	18,305	48,532
Professor A Ker - Tutorial Fellow	26,921	740	5,770	33,431	26,932
Dr B Klin - Tutorial Fellow	28,007	-	6,006	34,013	-
Dr C Leaver - Supernumerary Fellow	-	740	-	740	693
Professor D Logan - Professorial Fellow	-	1,852	-	1,852	1,733
Professor S Mavroeidis - Tutorial Fellow	15,125	13,213	2,265	30,603	13,827
Dr K Milewicz - Tutorial Fellow **	15,131	370	3,127	18,628	26,932
Dr N Moneke -Tutorial Fellow	22,497	740	4,710	27,947	24,430
Dr J E S Moshenska - Tutorial Fellow	55,519	1,852	12,039	69,410	65,802
Professor R J Nicholas - Tutorial Fellow **	3,478	1,778	615	5,871	23,006
Dr N Nikolov - Tutorial Fellow	19,363	6,789	3,661	29,813	21,766
Dr C J Pears - Tutorial Fellow	22,012	1,852	4,046	27,910	29,602
Professor T Povey - Tutorial Fellow	22,183	1,481	4,710	28,374	27,657
Dr P Rebeschini - Tutorial Fellow	20,770	4,040	4,710	29,520	48,400
Professor R Rickaby - Professorial Fellow	-	-	-	-	-
Professor A W Roscoe - Senior Research Fellow	2,718	1,481	582	4,781	4,630
Professor J Rowbottom - Tutorial Fellow	49,940	3,230	10,908	64,078	54,753
Dr M Schentuleit - Supernumerary Fellow	3,048	-	638	3,686	3,553
Professor G Screaton - Professorial Fellow	-	-	-	-	-
Professor T Sharp - Tutorial Fellow	21,992	1,852	4,710	28,554	27,972
Professor A Smith - Professorial Fellow	-	1,852	-	1,852	1,733
Dr M D Smith - Tutorial Fellow	25,013	740	5,309	31,062	30,267
Dr S Smith - Tutorial Fellow	22,591	6,002	4,361	32,954	13,313
Dr N Talbot - Supernumerary Fellow	13,958	-	2,995	16,953	-
Professor TY Tan - Professorial Fellow	-	1,481	-	1,481	1,386
Professor C Terquem - Tutorial Fellow	23,950	1,852	5,123	30,925	41,988
Professor S C Tsang - Tutorial Fellow	20,477	10,923	3,147	34,547	14,777
Mrs A Unsworth - Domestic Bursar	88,439	1,852	17,589	107,880	93,900
Professor J F Wheeler - Senior Research Fellow	-	1,481	-	1,481	1,386
Professor N Woods - Senior Research Fellow	2,796	1,111	599	4,506	4,375
Professor N Yeung - Tutorial Fellow	32,113	1,852	6,559	40,524	28,484
Professor O Zimmer - Tutorial Fellow	20,907	370	4,449	25,726	61,457
	<b>1,495,313</b>	<b>142,416</b>	<b>290,035</b>	<b>1,927,764</b>	<b>1,937,930</b>

\* - joiner during the year and/or before approval of the financial statements -see pages 2-4  
\*\* - leaver during the year or prior year and before approval of the financial statements - see pages 2-4

Other transactions with trustees

No trustee claimed expenses for any work performed in discharge of duties as a trustee.  
See also note 29 Related Party Transactions.

Key management remuneration

The total remuneration paid to key management was £620k (2021: £576k).  
Key management are considered to be The Master, the Senior Tutor, the Finance Bursar, the Domestic Bursar and the Development Director.



20 PENSION SCHEMES

The College participates in the Universities Superannuation Scheme ("the USS") and the University of Oxford Staff Pension Scheme ("the OSPS") on behalf of its staff. Both schemes are contributory defined benefit schemes (i.e. they provide benefits based on length of service and pensionable salary) and until April 2016 were contracted out of the State Second Pension Scheme. The assets of USS and OSPS are each held in separate trustee-administered funds. The College has made available the National Employment Savings Trust for non-employees who are eligible under automatic enrolment regulations to pension benefits.

Both schemes are multi-employer schemes and the College is unable to identify its share of the underlying assets and liabilities 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 Statement of Financial Activities represents the contributions payable to the schemes in respect of the accounting period.

Both schemes have put in place agreements for additional contributions to fund their past service deficits. In accordance with the provisions of FRS 102 the College has recognised a liability for the future contributions that it estimates will be payable as a result of these deficit funding agreements - see below.

Actuarial Valuations

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

	USS	OSPS
Date of valuation:	31/03/2020	31/03/2019
Date valuation results published:	30/09/2021	19/06/2020
Value of liabilities:	£80.6bn	£848m
Value of assets:	£66.5bn	£735m
Funding surplus / (deficit):	(£14.1bn)	(£113m)
Principal assumptions:		
	Fixed Interest gilt yield curve plus 1% - 2.75%	Gilts +0.5%- 2.25% b
· Discount rate		
· Rate of increase in salaries	n/a	RPI
		Average RPI/CPI
· Rate of increase in pensions	CPI +0.05%c	d
Assumed life expectancies on retirement at age 65:		
· Males currently aged 65	23.9 yrs	21.7 yrs
· Females currently aged 65	25.5 yrs	24.4 yrs
· Males currently aged 45	25.9 yrs	23.0 yrs
· Females currently aged 45	27.3 yrs	25.8 yrs
Funding Ratios:		
· Technical provisions basis	83%	87%
· Statutory Pension Protection Fund basis	64%	74%
· 'Buy-out' basis	51%	60%
	21.1% to 21.4% from 1 Oct 21	
Employer contribution rate (as % of pensionable salaries):		19%
Effective date of next valuation:	31/03/2023	31/03/2022

a. The discount rate (forward rates) for the USS valuation was:

Fixed interest gilt yiled curve plus: Pre-retirement 2.75%, post-retirement 1.00%

b. The discount rate for the OSPS valuation was:

Pre-retirement: Equal to the UK nominal gilt curve at the valuation date plus 2.25% p.a. at each term.  
Post-retirement: Equal to the UK nominal gilt curve at the valuation date plus 0.5% p.a. at each term.

c. Pensions increases (CPI) for the USS valuation were:

Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.1% p.a. to 2030, reducing linearly by 0.1% p.a. to a long term difference of 0.1% from 2040.

d. Increases to pensions in payment for the OSPS valuation were:

RPI inflation is derived from the geometric difference between the UK nominal gilt curve and the UK index-linked curve at the valuation date, less 0.3% p.a. at each term. CPI inflation is derived from the RPI inflation assumption, less the Scheme Actuary's best estimate of the long-term difference between RPI and CPI inflation as applies from time to time (1.0% p.a. as at 31 March 2019).

For pension increases linked to inflation, a pension increase curve is constructed based on either the RPI, CPI or the average of the RPI and CPI inflation curves described above, adjusted to allow for the different maximum and minimum annual increases that apply, and the Scheme Actuary's best estimate of inflation volatility as applies from time to time.

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

20 PENSION SCHEMES (CONTINUED)  
Universities Superannuation Scheme

The pension charge for the year includes £2,231k (2021: £664k) in relation to the USS. This represents contributions of £625k (2021: £637k) payable to the USS as adjusted by the increase in the deficit funding liability between the opening and closing balance sheet dates of £1,606k (2021: £27k decrease).

A provision of £2,940k has been made at 31 July 2022 (2021: £1,334k) for the present value of the estimated future deficit funding element of the contributions payable under this agreement. In determining the level of this provision it has been assumed that the College will have an increase in membership of 1% in year 1 and 1% thereafter. It has been assumed that relevant earnings of these employees will increase by 3% in year 1, and 3% thereafter. An average discount rate of 3.31% over the period to 31 March 2028 has been used.

Oxford Staff Pension Scheme

The pension charge for the year includes £276k (2021: £25k) in relation to the OSPS. This represents contributions of £309k (2021: £325k) payable to the OSPS as adjusted by the decrease in the deficit funding liability between the opening and closing balance sheet dates of £32k (2021 £300k decrease).

A provision of £667k has been made at 31 July 2022 (2021:£699k) for the present value of the estimated future deficit funding element of the contributions payable under this agreement. In determining the level of this provision it has been assumed that the membership in the scheme will increase by 1% in year 1 & year 2, 5% in year 3 & 1% thereafter. It has been assumed that relevant earnings of these employees will increase by 10% in year 1, by 5% in year 2 and 3% thereafter. An average discount rate of 3.15% over the period to 31 January 2028 has been used.

21 TAXATION

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

22 FINANCIAL INSTRUMENTS

The College and Group's financial statements include the following in respect of their financial instruments:

	2022 Group £'000	2021 Group £'000	2022 College £'000	2021 College £'000
Financial assets at fair value through statement of financial activities:				
Investments	124,504	120,528	124,504	120,528
Financial assets that are debt instruments measured at amortised cost:				
Trade debtors	966	1,110	966	1,110
Amounts owed by College members	376	252	376	252
Loans repayable within one year	123	849	123	849
Accrued income	4,859	3,427	4,859	3,427
Cash and cash equivalents	23,901	15,556	23,895	15,556
	30,225	21,194	30,219	21,194
Financial liabilities measured at fair value through statement of financial activities:				
	3,400	-	3,400	-
	3,400	-	3,400	-
Financial liabilities that are debt instruments measured at amortised cost:				
Trade creditors	1,283	333	1,283	333
Taxation and social security	211	187	211	187
Accruals	724	832	1,200	832
Other creditors	370	352	370	352
Long term creditors	52,813	49,398	52,813	49,398
	55,401	51,102	55,877	51,102

23 FINANCIAL INSTRUMENTS RISK

The Group is exposed to various risks in relation to financial instruments. The Group's financial assets and liabilities by category are summarised in Note 22. The main types of risk are market risk, credit risk, liquidity risk and interest rate risk.

Market Risk Analysis

The Group is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk, and certain other price risks, which result both from its operating and investing activities.

Foreign Currency Sensitivity

Most of the Group's operating transactions are carried out in pounds sterling. Exposure to currency exchange rates arise from the Group's purchases and sales of investments denominated in foreign currencies. To mitigate the Group's exposure to foreign currency risk the Investment committee monitor regularly and review the currency allocations and recommend rebalancing. Forward exchange contracts are only entered into for significant long-term foreign currency exposures that are not expected to be offset by other same-currency transactions. There were no forward exchange contracts at 31 July 2022 or 31 July 2021.

Foreign currency denominated financial assets and liabilities which expose the Group to currency risk are disclosed below. The amounts shown are those reported to the Investment Committee translated into pounds sterling at the closing rate.

23 FINANCIAL INSTRUMENTS RISK (CONTINUED)

At 31 July the Group's and College's investment assets had the following principal exposures

	2022	2021
Pounds sterling	63.0%	61.1%
US dollar	28.4%	27.9%
Japanese Yen	5.6%	6.6%
Other currencies	3.0%	4.4%
	100.0%	100.0%

	USD £'000	Yen £'000	Other £'000	Total £'000
31 July 2022				
Financial assets	42,140	8,378	4,445	54,963
Financial liabilities	-	-	-	-
Total Exposure	42,140	8,378	4,445	54,963

Impact on the net movement of funds for the year 2021/22	£'000
10% US dollar appreciation	4,214
10% Yen appreciation	838

	USD £'000	Yen £'000	Other £'000	Total £'000
31 July 2021				
Financial assets	37,492	8,914	5,905	52,311
Financial liabilities	-	-	-	-
Total Exposure	37,492	8,914	5,905	52,311

Impact on the net movement of funds for the year 2019/20	£'000
10% US dollar appreciation	3,749
10% Euro appreciation	891

**Risk Management policies and procedures**

Currency positions in the investment portfolio are reviewed regularly by the Finance Bursar and monitored by the Investment Committee.  
Currency exposure is managed within the asset allocation strategy.

**Credit risk**

Credit risk is the risk that the Group and College would incur a financial loss if a counterparty were to fail to discharge its obligations to the Group and College.

**Credit risk exposure**

The Group and College is exposed to credit risk in respect of its financial assets held with various counterparties. The following table details the maximum exposure to credit risk at 31 July:

	2022 £'000	2021 £'000
Equity investments	65,409	63,684
Property funds	10,201	8,610
Fixed interest stocks	22,226	20,392
Alternative and other investments	5,859	3,688
Cash & Cash equivalents	44,704	39,710
Trade and other receivables	7,038	6,254
Total financial assets exposed to credit risk	155,437	142,338

**Risk management policies and procedures**

The Group and College aims to minimise its counterparty credit risk exposure by monitoring the size of its credit exposure to, and the creditworthiness of, counterparties, including setting exposure limits and maturities within its investment portfolio primarily. The creditworthiness and financial strength of trading customers e.g. new tenants, is assessed at inception. All new students have to provide a financial guarantee statement indicating the availability of funds to meet fees and living costs. Counterparties for investment assets and bank accounts are selected based on their financial ratings, regulatory environments and specific circumstances. Over 60% of the Cash & Cash equivalents total is held at HSBC Bank plc that has a S&P's long term credit rating of A+. Of the fixed interest stocks, the College's diverse portfolio of Corporate debt is held with average credit rating of A- and no holding worse than BBB while its Sovereign and high quality agency debt is held mostly in AAA and an average credit ratio of this part of the portfolio of AA+.

**Liquidity Risk**

Liquidity risk is the risk that the College will encounter difficulties raising cash to meet its obligations when they fall due. Obligations are associated with financial liabilities and capital commitments.

23 FINANCIAL INSTRUMENTS RISK (CONTINUED)

The majority of the investment assets by the College are investments in quoted securities and in funds that are readily realisable. The College regularly monitors its liabilities and commitments and ensures it holds appropriate levels of liquid assets.

The following table summarise the maturity of the College's undiscounted contractual payments

	Three months or less	Between three months and a year	Between one and five years	More than five years	Total
	£'000	£'000	£'000	£'000	£'000
As at 31 July 2022					
Bonds and Senior Note liabilities	740	740	5,921	104,234	111,635
Other creditors	1,271	-	-	-	1,271
Total at 31 July 2022	2,011	740	5,921	104,234	112,906
As at 31 July 2021					
Bonds and Senior Note liabilities	740	740	5,921	105,704	113,105
Other creditors	439	-	-	-	439
Total at 31 July 2021	1,179	740	5,921	105,704	113,544

All other financial liabilities are due on demand.

Risk management policies and procedures

Interest rate risk

Interest rate risk arises from the risk that the value of an asset or liability will fluctuate due to changes in market interest rates (i.e. for fixed interest rate assets or liabilities) or that future cash flows will fluctuate due to changes in interest rates (i.e. for floating rate assets or liabilities).

Interest rate exposure and sensitivity

As stated in the accounting policies, the College's bond liabilities are measured at amortised cost. The College has only minimal amounts held on variable rate.

Interest rate risk is focused on the potential impact of interest rate changes on the fair value of investments in fixed interest securities.

At 31 July 2022 the College held £22.2m (2021: £20.4m) of government bonds with fixed interest.

Risk management policies and procedures

The College takes into account the possible effects of a change in interest rates on fair value and cash flows of the interest-bearing financial assets and liabilities when making investment decisions.

Other price risk

Price risk is the risk that the value of an asset or liability will fluctuate due to changes in market price (other than those arising from currency risk or interest rate risk), caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

This is a key risk for the College because of the significance of the endowment funds in supporting the academic activities of the College and the requirement to maintain their value in real terms into the future.

At 31 July 2022 total endowment funds were £147.1m (2021: £142.4m) - see notes 16 & 17 for further detail on the endowment funds.

Concentration of exposure to other price risk

As the majority of the College's investment assets are carried at fair value, all changes in market conditions will directly affect the College's net assets. The split of investment assets at the reporting date is shown in notes 9 & 10.

Fair Value

Debtors and current liabilities are stated in the balance sheet at amortised cost (except for the new liability under the Distribution Agreement related to the funding of the College's North Oxford development -see below) which are not materially different from their fair values. The bond liabilities are also measured at amortised cost which is not materially different from fair value. The amortised cost of the other financial assets and liabilities shown on the balance sheet are the same as the fair value.

Complex Financial Instrument

On the 1st March 2022 the College entered into two agreements ("Al Duca") whereby philanthropic funding would be provided for the College's North Oxford development and in return the College would commit to distribute the net returns from the development for a minimum of 40, and a maximum of 50 years, to a US University nominated by the funder. The back to back agreements are assessed as being a complex financial instrument and as such the liability under the distribution agreement is calculated at fair value.

Fair value is calculated using a discounted cash flow approach on the model of predicted receipts, net of costs, from the new build rooms at the Univ North development.

For the initial fair value calculation on receipt of the first payment a discount rate of 3.5% was used. As at 31 July 2022 the discount rate used was 3.8%.

Amounts included in the financial statements are as follows:

	£'000
Initial calculated fair value of liability following receipt of payment in April 2002 of £4.0m	3,636
Finance credit following fair value calculation recognised through the SOFA	(236)
Fair value as at 31 July 2022	3,400

The initial difference between the receipt and the fair value of the liability is credited to the SOFA as donation income.

23 FINANCIAL INSTRUMENTS RISK (CONTINUED)

Sensitvity to changes in the discount rate used are set out below:

Discount rate	Impact on Distribution Agreement Liability £'000
Increase by 0.3%	(217)
Decrease by 0.3%	<u>236</u>

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

	2022 Group £'000	2021 Group £'000
<b>Net Income</b>	<b>10,950</b>	16,484
Elimination of non-operating cash flows:		
Investment income	(4,988)	(4,886)
Gains on investments	(4,106)	(13,061)
Endowment donations	(2,049)	(863)
Bonds & Senior Note Interest payable	1,480	1,480
Investment management costs	1,171	1,473
Other exchange (gain)/loss	(1,357)	287
Depreciation	819	868
Surplus on sale of fixed assets	(177)	(156)
(Increase)/Decrease in stock	(10)	5
(Increase)/Decrease in debtors	(784)	4,055
Increase/(Decrease) in creditors	1,411	(483)
Increase/(Decrease) in pension scheme liability	1,574	(273)
<b>Net cash used in operating activities</b>	<b><u>3,934</u></b>	<u>4,930</u>

25 ANALYSIS OF CHANGES IN NET DEBT

	At start of year £'000 Group	Cash flows £'000 Group	Foreign Exchange Movements £'000 Group	Other non-cash changes £'000 Group	At end of year £'000 Group
Cash at bank and in hand	15,556	6,988	1,357	-	<b>23,901</b>
Other investments cash	24,154	(3,345)	-	-	<b>20,809</b>
Loans Falling due after more than one year	(49,398)	-	-	(3,415)	<b>(52,813)</b>
<b>Total</b>	<b><u>(9,688)</u></b>	<b><u>3,643</u></b>	<b><u>1,357</u></b>	<b><u>(3,415)</u></b>	<b><u>(8,103)</u></b>

26 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2022 £'000 Group	2021 £'000 Group
Cash at bank and in hand	<b>23,901</b>	15,556
Other investments cash	<b>20,809</b>	24,154
<b>Total cash and cash equivalents</b>	<b><u>44,710</u></b>	<u>39,710</u>

27 CAPITAL COMMITMENTS

There are no capital committments that require disclosure.

28 COMMITMENTS UNDER OPERATING LEASES

The Group earns rental income by leasing its properties to tenants under non-cancellable operating leases. Leases in which substantially all risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including prepayments, made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straightline basis over the period of the lease.

At the balance sheet date the Group had contracted with tenants to receive the following future minimum lease payments:

	2022 £'000 Group	2021 £'000 Group
Not later than 1 year	4,038	3,478
Later than 1 year and not later than 5 years	9,423	8,613
later than 5 years	54,544	54,796
	<b><u>68,005</u></b>	<u>66,887</u>

29 RELATED PARTY TRANSACTIONS

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

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

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

	2022 £'000	2021 £'000
Professor N Yeung *	-	104
Associate Professor B Jackson *	-	266
Professor A Johnston	164	164
Associate Professor N Nikolov	212	212
Total net book value of properties owned jointly with trustees	376	746

\*- the College's interest in the property was acquired during the year by the Fellow at a valuation established by an independent valuer.

All joint equity properties are subject to sale on the departure of the trustee from the College.

During the year a total of £12,731 (2021: £nil) was paid to children of Trustees for work done as casual workers.

During the 2018-19 year, the College entered into a tenancy-at-will with The Blockhouse Technology Limited ("TBTL") to permit its occupation of 2 Staverton Road, a property in North Oxford that is owned by the College. TBTL's rescindable tenancy in the property may also afford space for the College's newly established research activities into Blockchain technology to operate alongside the commercial activities of TBTL. Professor A W Roscoe, a trustee of the College, is a co-founder of, and a significant shareholder in, TBTL. The tenancy-at-will was established at arm's length, and Professor Roscoe was recused from the College's decision making in this matter. The College is also a shareholder in TBTL.

30 CONTINGENT LIABILITIES

The College had no contingent liabilities at 31 July 2022 (2021: £nil).

31 POST BALANCE SHEET EVENTS

There are no post balance sheet events that require disclosure.

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

**32 ADDITIONAL PRIOR YEAR COMPARATIVES**

a)	Statement of Financial Activities	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2021 Total £'000
INCOME AND ENDOWMENTS FROM:					
Charitable activities:					
Teaching, research and residential	5,262	282	-		5,544
Donations and legacies	2,881	4,640	863		8,384
Investments					
Investment income	1,406	69	3,411		4,886
Total return allocated to income	-	4,962	(4,962)		-
Other income					
Coronavirus Job Retention Retention Scheme	316	-	-		316
Other	1	-	-		1
Total income	9,866	9,953	(688)		19,131
EXPENDITURE ON:					
Charitable activities:					
Teaching, research and residential	7,834	4,027	-		11,861
Generating funds:					
Fundraising	403	491	-		894
Investment management costs	80	211	1,182		1,473
Interest payable on bond and senior note	1,480	-	-		1,480
Total Expenditure	9,797	4,729	1,182		15,708
Net Income before gains	69	5,224	(1,870)		3,423
Net gains on investments	1,662	202	11,197		13,061
Net Income	1,731	5,426	9,327		16,484
Transfers between funds	-	(7,597)	7,597		-
Net movement in funds for the year	1,731	(2,171)	16,924		16,484
Fund balances brought forward	70,569	12,994	125,489		209,052
Funds carried forward at 31 July	72,300	10,823	142,413		225,536

b)	Property Investments				2021 Total £'000
		Agricultural £'000	Commercial £'000		
Valuation at start of year		10,974	62,249		73,223
Additions and improvements at cost		-	2,044		2,044
Revaluation losses in the year		495	(63)		432
Valuation at end of year		11,469	64,230		75,699

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

**32 ADDITIONAL PRIOR YEAR COMPARATIVES (CONTINUED)**

c) Analysis of Movement on Funds

	At 1 August 2020 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2021 £'000
Endowment Funds - Permanent						
Dr Radcliffe's Linton Estate (1714)	12,919	272	(33)	(475)	825	13,508
Oxford Radcliffe Scholarships (2013)	11,831	222	(27)	(131)	670	12,565
Univ 20/20 Strategy (2007)	5,945	131	(16)	1,402	396	7,858
J G Weir (1954)	4,799	101	(12)	(53)	306	5,141
Univ 20/20 Endowment (2007)	4,703	106	(13)	637	322	5,755
Radcliffe Travelling Fellow(1858)	4,538	120	(15)	1,891	361	6,895
John Freeston Trust (1592)	2,916	62	(8)	(107)	186	3,049
Maintenance Trust Fund (1932)	2,145	45	(5)	(79)	137	2,243
Sir E A Wallis Budge (1935)	1,940	41	(5)	29	124	2,129
Sanderson Modern History Fellow (2012)	1,863	40	(5)	(68)	120	1,950
Harold Salvesen Junior Fellow (1964)	1,328	28	(3)	391	84	1,828
Margaret Candfield English (1997)	1,698	36	(4)	(12)	109	1,827
McConnell Laing Classics (1999)	1,728	38	(5)	(64)	116	1,813
The Bouverie Trust (1979)	1,559	54	-	(4)	-	1,609
Tacchi Fellowship (2008)	1,412	31	(4)	(52)	95	1,482
Dunhill Foundation Trust (1988)	1,382	29	(3)	(51)	88	1,445
Goodman Fellowship Fund (1986)	1,109	23	(3)	233	71	1,433
Schrecker Slavonic Studies (2007)	1,365	29	(3)	(50)	88	1,429
O.M. Organic Chemistry Fellow (1990)	1,356	29	(3)	(50)	87	1,419
Scott JRF Fund (2001)	1,282	29	(4)	-	89	1,396
Swire Graduate History Scholarship (2012)	1,236	26	(3)	(45)	79	1,293
Oxford Anderson History Graduate Scholarship (2014)	1,139	30	(4)	23	82	1,270
Modern History Fund (1999)	1,197	22	(3)	(44)	65	1,237
Robert Mynors (1922)	1,184	24	(3)	(44)	76	1,237
Modern History Fund II (2001)	1,137	31	(4)	(42)	94	1,216
Rayne Physics (1980)	1,061	23	(3)	(39)	68	1,110
Oxford Burma Graduate Scholarship (2016)	1,024	23	(3)	(15)	56	1,085
Pye Fellowship (1998)	1,024	22	(3)	(37)	65	1,071
Levison Physics (1996)	1,011	22	(3)	(37)	65	1,058
Beaverbrook Fund (1979)	-	-	-	-	-	-
45 Other Funds	17,721	710	(40)	362	966	19,719
Endowment Funds - Expendable						
Univ. Capital Fund	18,327	1,131	(920)	(804)	4,604	22,338
Hoffman Law Fellowship	1,829	41	(5)	(67)	123	1,921
Oxford-Univ-Rhodes Graduate Scholarship (2017)	1,448	73	(5)	(54)	121	1,583
Ivana and Pavel Tykac Fellowship in Czech (2017)	900	150	-	(28)	-	1,022
42 Other Funds	7,433	480	(12)	119	459	8,479
Total Endowment Funds	125,489	4,274	(1,182)	2,635	11,197	142,413
Analysis of Movement on Funds(Continued)						
	At 1 August 2019 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2020 £'000
Restricted Funds						
Univ North Fund (2019)	1,135	4,407	-	-	-	5,542
Geary Hill Fund (1987)	1,578	32	(36)	-	98	1,672
Radcliffe Travelling Fellow (1858)	1,893	-	-	(1,893)	-	-
Univ 20/20 Strategy (2007)	1,248	-	-	(1,248)	-	-
124 Other Funds	7,140	552	(4,693)	506	104	3,609
Total Restricted Funds	12,994	4,991	(4,729)	(2,635)	202	10,823
Unrestricted Funds						
General	3,767	9,753	(9,663)	(1,669)	1,662	3,850
Fixed Asset Designated Fund	55,273	-	-	657	-	55,930
Univ North Designated Fund	5,203	-	-	900	-	6,103
Major Repair Fund	1,294	-	-	-	-	1,294
Master's Stipend Fund	1,210	-	-	-	-	1,210
Overbrook Foundation	1,001	35	(34)	-	-	1,002
17 Other Funds	2,821	78	(100)	112	-	2,911
Total Unrestricted Funds	70,569	9,866	(9,797)	(0)	1,662	72,300
Total Funds	209,052	19,131	(15,708)	-	13,061	225,536