

Charity Number 1143086

HARRIS MANCHESTER COLLEGE

Annual Report and Financial Statements

Year ended 31 July 2023

HARRIS MANCHESTER COLLEGE
Annual Report and Financial Statements
Contents

Governing Body, Officers and Advisers

Report of the Governing Body

Auditor's Report

Statement of Financial Activities

College Balance Sheet

Statement of Cash flows

Notes to the Financial Statements

HARRIS MANCHESTER COLLEGE
Governing Body, Officers and Advisers
Year ended 31 July 2023

MEMBERS OF THE GOVERNING BODY

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

| | | (1) | (2) | (3) |
|--------------------------------|---------------------|-----|-----|-----|
| Mrs Kate Alderson-Smith | | | | |
| Professor Jan-Emmanuel De Neve | | x | | x |
| Dr Eric Eve | Retired 30/9/2022 | | | |
| Mr Brian Fidler | | x | x | x |
| Dr Gina Hadley | | | | |
| Professor Mark Harris | Elected 01/10/2023 | | | |
| Mr Harry Henderson | | x | | x |
| Professor Richard Hobbs | Retired 30/9/2022 | | | |
| Dr Hayley Hooper | | | | |
| Dr Joshua Hordern | | | | |
| Mr George Hudson | | x | | |
| Dr Linda Hulin | | | | |
| Mr Peter Hyde | Resigned 31/10/2022 | x | | x |
| Dr Catherine Jackson | | | | |
| Dr Crispin Jenkinson | Retired 31/12/2022 | | | |
| Professor Robert Klassen | Elected 01/11/2023 | | | |
| Ms Victoria Lill | | | | |
| Rev Dr Claire MacDonald | Elected 02/11/2022 | | | |
| Professor William Mander | | | | |
| Mr Christopher Manning | Elected 17/04/2023 | x | | x |
| Professor Alister McGrath | Retired 30/9/2022 | | | |
| Professor Kate McLoughlin | | | | |
| Professor Alex Nicholls | | | | |
| Professor Patrik Rorsman | | | | |
| Professor Ronald Roy | | | x | x |
| Dr Isabel Ruiz | | x | | x |
| Professor Jane Shaw | | x | | x |

HARRIS MANCHESTER COLLEGE
Governing Body, Officers and Advisers
Year ended 31 July 2023

| | | | | |
|-------------------------|--|--|---|---|
| Professor Lesley Smith | | | | |
| Dr Harrison Steel | | | | |
| Dr Kristin van Zwieten | | | | x |
| Dr John Vella | | | | |
| Mr Ashley Walters | | | | |
| Professor Matthew Weait | | | | x |
| Dr Bee Wee | | | x | |
| | | | | |

During the year, the activities of the Governing Body were carried out through three Committees. The current membership of these Committees is shown above for each Fellow.

- (1) Investment Committee.
- (2) Remuneration Committee.
- (3) Finance Committee

HARRIS MANCHESTER COLLEGE

Governing Body, Officers and Advisers

Year ended 31 July 2023

COLLEGE SENIOR STAFF

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

| | |
|-----------------------------------|--|
| Principal | Jane Shaw |
| Senior Tutor | Lesley Smith |
| Academic Administrator | Victoria Lill |
| Bursar | Peter Hyde (resigned 31/10/2022), Kevin Knott (Interim Bursar from November 2022 to May 2023), Christopher Manning (joined 02/05/2023) |
| Domestic Bursar | Clare Davis (resigned 30/06/22), Dagna Natanson (joined 14/08/2023) |
| Director of Governance & Projects | Ashley Walters |

COLLEGE ADVISERS

Auditor

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

Bankers

National Westminster Bank
121 High Street
Oxford
OX1 4DD

Solicitors

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

College address

Mansfield Road
Oxford
OX1 3TD

Website

www.hmc.ox.ac.uk

HARRIS MANCHESTER COLLEGE

Report of the Governing Body

Year ended 31 July 2023

The Members of the Governing Body present their Annual Report for the year ended 31 July 2023 under the Charities Act 2011 together with the audited financial statements for the year.

REFERENCE AND ADMINISTRATIVE INFORMATION

The Principal and Fellows of the Manchester Academy and Harris College in the University of Oxford, commonly known as Harris Manchester College, Oxford is a chartered charitable corporation. It was founded in 1786 and granted a Royal Charter on 12th January 1996.

The College registered with the Charity Commission on 26th July 2011 and its registered charity number is 1143086.

The membership 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 4.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

The College is governed by its Charter and Statutes dated 12 January 1996.

Governing Body

The Governing Body is constituted and regulated in accordance with the College Charter and Statutes, the terms of which are enforceable ultimately by the Visitor, Saphieh Ashtiany. The Governing Body determines the strategic direction of the College and regulates its administration and the management of its finances and assets. The membership includes a balance of academic and non-academic College postholders, holders of academic posts in the University who are not employed by the College, and independent members who are employees of neither the College nor the University. It meets regularly under the chairmanship of the Principal and is supported by the three Committees listed on page 3.

Recruitment and training of Members of the Governing Body

New Members of the Governing Body are ordinarily recruited by advertisement and inducted into the workings of the College, including Governing Body policy and procedures, by the Principal and College Officers.

Members of the Governing Body attend trustee training and information courses to keep them informed on relevant current issues and on regulatory requirements.

Remuneration of Members of the Governing Body and Senior College Staff

Members of the Governing Body receive no remuneration or benefits from their trusteeship of the College. Those trustees who are also employees of the College receive remuneration for their work as employees, based on the advice of the Remuneration Committee. The members of this Committee are Fellows who are not employees of the College. Where practicable, remuneration is set in line with that awarded to the University's academic staff.

Organisational management

The members of the Governing Body meet at least 9 times a year. The work of developing policies and monitoring their implementation is carried out by three Committees:

- The Investment Committee.
- The Remuneration Committee.
- The Finance Committee.

HARRIS MANCHESTER COLLEGE

Report of the Governing Body

Year ended 31 July 2023

Group structure and relationships

The College administers special funds as detailed in Notes 16 and 17 to the Financial Statements.

The College has no subsidiary or associated undertakings.

The College is part of the collegiate University of Oxford. Material interdependencies between the University and the College arise from this relationship.

OBJECTIVES AND ACTIVITIES

Charitable Objects and Aims

The College's charitable objects, as laid out in its Royal Charter, are:

- To advance learning, education and research in the arts and sciences within the University.
- To provide for men and women who shall be members of the University and from whom no test or confession of faith will be required:
 - 1) A College in which they may work for degrees, diplomas and certificates of the University for the purpose of their engaging in advanced and other study and the conduct and publication of research,
 - 2) Preparatory Instruction for the learned professions and for civil and commercial life, and
 - 3) A full and systematic course of education and training of Ministers of Religion, having regard especially to the Ministries of the General Assembly of Unitarian and Free Christian Churches in our United Kingdom and of the Non-Subscribing Presbyterian Church of Ireland.
- To promote the Christian religion in its simplest and most intelligible form, and in particular the traditions of English Rational Dissent.

Public benefit

The Governing Body is committed to the aims of providing public benefit in accordance with its objects and is satisfied that it has continued to conduct its affairs during the year to 31 July 2023 in furtherance of these aims.

- Research undertaken by members of the College's Fellowship has significant public impact.
- In accordance with its Statutes, the College specialises in the admission, teaching and pastoral care of mature students, providing a dedicated community for a portion of the student population otherwise not often provided with specialised support within the University of Oxford.
- The College provides financial support to students who may have financial difficulties, in the form of contributions to the University's Oxford Bursary scheme, the awarding of scholarships to students undertaking second undergraduate degrees, and provision of hardship grants to students in particular need.
- The College's library special collections are made available to researchers on appointment. The library team prepares online exhibitions, hosted on the College's website, based on the collections.
- Many College events, including Chapel services, music concerts, arts events and talks by visiting speakers, are open to the public free of charge.
- The premises of the College are regularly open to the public to visit the historic Chapel and the grounds.

HARRIS MANCHESTER COLLEGE

Report of the Governing Body

Year ended 31 July 2023

Charitable Activities

The College has 89 Fellows (excluding Honorary and Emeritus Fellows), of whom 27 are members of the Governing Body, 25 are Senior Research Fellows, 15 are Research Fellows and 22 are Supernumerary Fellows.

The College is home to two research centres (the Wellbeing Research Centre and the Commercial Law Centre) as well as a more informal cluster working on the intersection of the arts and sciences, for example medical humanities, science and religion and the history of science.

The College is engaged in recruiting, teaching, pastoral care and welfare of 'mature' (i.e. aged over 21) students reading for undergraduate and postgraduate qualifications of the University of Oxford. The College provides facilities in support of these students, including a comprehensive library, study and social spaces, IT facilities, food, accommodation and an invigorating academic community in which they can thrive.

The College has concentrated on teaching subjects which can be a preparation for the learned professions and for those wishing to enter civil and commercial life. More specifically, the College teaches the following subjects: law, medicine and medical sciences, engineering, education, politics, economics, philosophy, theology and religion, management studies, archaeology, anthropology, english, history, human sciences, psychology, classics, and Asian and middle eastern studies.

The College has now also completed preparatory work for the Oxford Next Horizons Programme which will welcome its first cohort in January 2024. Oxford Next Horizons is a new non-award-bearing programme for mid-late career participants, which has been established in partnership with the Rhodes Trust.

The College employs a Tutor in Ministerial Training, whose responsibility it is to teach a full and systematic course of education and training for ministers of religion, and especially those of the Unitarian churches. The Tutor is also developing initiatives for continuing ministerial development, and the study of the traditions originating in English rational dissent.

The College promotes the Christian religion through the employment of a Chaplain, who holds regular services of worship in the College Chapel. The College allows the use of the Chapel by other Christian organisations.

This year, the College agreed to the early termination of its cooperation agreement with the Farmington Trust, which originally was intended to run for ten years to 2025. This was at the Farmington Trust's request, since its trustees wished to pursue charitable activities which they considered to be in line with their charitable objectives, but which were not possible under the terms of the cooperation agreement or in line with the college's statutes. In considering this request, the College's trustees agreed that early termination would assist in maintaining a positive ongoing relationship with the Trust, which under a separate leasing arrangement is a long-term tenant of the College.

The criteria used to assess the success of the College in promoting its objects are:

The quality of the research of individual Fellows can be judged by reference to those accepted to represent the University in the periodic, national Research Excellence Framework exercise and by the award of research grants. Other indicators include teaching Fellows being successful in the University's Recognition of Distinction exercise and being recognised in the University's annual Teaching Excellence Awards scheme and student surveys.

Undergraduate results and graduate awards are used by the College to assess its success in providing opportunities for those working for degrees, diplomas and certificates of the University. Students' academic success is reported below:

HARRIS MANCHESTER COLLEGE

Report of the Governing Body

Year ended 31 July 2023

(number in brackets indicates 2022 performance)

- 30 (30) students graduated with a Bachelor of Arts Undergraduate Degree, of whom 12 (14) were awarded First Class Honours degree and 15 (15) an Upper Second Honours degree.
- 5 (6) Graduate students were awarded Doctoral degrees in the University of Oxford.
- 29 (28) students received Masters degrees, of whom 19 (13) were awarded Distinctions and 10 (8) Merits
- 3 (6) students qualified as medical doctors.
- 1 (4) student was awarded a Post Graduate Diploma and received a Merit (1 was awarded a Distinction and 2 Merits in 2022).
- 2 (1) students were awarded a Postgraduate Certificate in Education.

The College continues to promote the Christian Religion through its Chapel, with a regular and creative programme of public worship. The Chapel is also an important venue for talks on Christianity and its broad spiritual tradition such as the newly-revived Upton Lectures in Religion and Philosophy, which are well-attended by external audiences.

Activity in support of Charitable Activities

In order to continue to maintain and develop its activities better to fulfil its charitable objectives, the College has an active fund-raising programme. In the current year, £1,854m was raised in total, of which £1,191m for funding of the Farmington Institute and the Wellbeing Research Centre and £490k was received from the College Contribution Fund to support essential College operations. This included the reclassification of a £300K historic creditor, which was provided by an early iteration of the College Contribution Fund and the University has confirmed does not need to be repaid. The College is grateful for all donations which support its ability to maintain and develop the achievement of its charitable objectives.

The College manages all solicitations internally, without the involvement of commercial participators, professional fundraisers or other third parties. The day-to-day management of fundraising activity is delegated to the Development Office, under the direction of the Principal.

The College also provides a venue for conferences and events which generate additional income to support its charitable activities. In 2023 commercial income from this activity was £580K, which brought activity in this area back up to the levels experienced before the COVID pandemic.

PRINCIPAL FUNDING SOURCES

Total income during the year amounted to £5.618m (2022: £7.4m), the change primarily attributable to significant one-off donations and legacies in 2022.

Total expenditure during the year amounted to £5.269m (2022: £5.1m).

The College generated an overall surplus in the year before investments losses of £349k. After the unrealised loss on investments of £806k, the College generated net loss in the year of £457k.

The College has a pension provision of £627k (2022: £694k) (see note 20).

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.

Total funds of the College at the year-end amounted to £44.780m (2022: £45.237m). This includes endowment capital of £16.486m (2022: £17.351m) and unspent restricted income funds totalling £1.796m

HARRIS MANCHESTER COLLEGE

Report of the Governing Body

Year ended 31 July 2023

(2022: £1.757m). Free reserves at the year-end amounted to £26.498m (2022: £26.129m), representing retained unrestricted income reserves.

Risk management

The College is engaged in risk assessment on an on-going basis, including a formal periodic review of the college's risk register. When it is not able to address risk issues using internal resources, the College takes external advice from those with specialist knowledge. Policies and procedures within the College are reviewed by the relevant College Committee. Financial risks are assessed by the Bursar, Finance Committee and Governing Body and investment risks are monitored by the Investment Committee.

The Bursar and domestic heads of staff meet regularly to review health and safety issues, and to ensure policies and process are relevant and sufficient to address the level of risk. Staff are provided with training and other development opportunities in order that they are better placed to address areas of risk where they occur.

The Governing Body, which has ultimate responsibility for managing the levels of risk in the College, has reviewed the processes in place to identify and address risk.

It is recognised that systems can provide only reasonable but not absolute assurance that major risks have been managed.

Investment policy, objectives and performance

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

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

To meet these objectives the College's investments are managed to maintain diversification across a range of asset classes in order to produce an appropriate balance between risk and return.

The investment policy and strategy are set by the Governing Body as advised by the Investment Committee from time to time and performance is regularly monitored by the Investment Committee. The colleges primary route for investment is via Oxford University Endowment Management. Further details on their investment philosophy and risk management approach are available on their website: <https://www.ouem.co.uk/esg-management/oef-report/>.

At the year end, the College's long-term investments totalled £17.962m (2022: £17.35m).

The Governing Body will keep the level of income withdrawn under review to balance the needs and interests of current and future beneficiaries of the College's activities.

HARRIS MANCHESTER COLLEGE

Report of the Governing Body

Year ended 31 July 2023

FUTURE PLANS

During the year, the Governing Body has been undertaking an exercise of strategic review with the objective of creating an updated strategic plan which will aim:

- To continue to attract and admit mature students to the University of Oxford and provide the best possible educational environment.
- To ensure that College's long-term financial stability.
- To develop and implement plans for the maintenance and improvement of the historic estate, including increasing physical accessibility and improving environmental sustainability. To ensure through the provision of scholarships, bursaries and grants that finance is not a prohibitive factor in a student's decision to study at HMC.

STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES

The Governing Body (the 'trustees') is responsible for preparing the Report of the Governing Body and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the College and of the incoming resources and application of resources of the College for that period. In preparing these financial statements, the trustees are required to:

- select the most suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable 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 operation.

The Governing Body is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the College and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2015 and the provisions of the Royal Charter. They are also responsible for safeguarding the assets of the College and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governing Body are responsible for the maintenance and integrity of the College and financial information included on the College's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Governing Body on 29 November 2023 and signed on its behalf by:

Prof J A Shaw

Principal

Mr Ashley Walters

Secretary

HARRIS MANCHESTER COLLEGE

Report of the Auditor to the Members of the Governing Body of Harris Manchester College

Harris Manchester College Report of the Independent Auditor Year ended 31 July 2023

Independent Auditor's Report to the Trustees of Harris Manchester College

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 July 2023 and of the charity's income and receipts of endowments and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity or the 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.

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise

HARRIS MANCHESTER COLLEGE

Report of the Auditor to the Members of the Governing Body of Harris Manchester College

appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

HARRIS MANCHESTER COLLEGE

Report of the Auditor to the Members of the Governing Body of Harris Manchester College

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

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

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

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

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

Use of our report

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

CROWE U.K. LLP
Statutory Auditor

55 Ludgate Hill
London
EC4M 7JW

Date: 30 November 2023

HARIS MANCHESTER COLLEGE

Statement of Accounting Policies

Year ended 31 July 2023

1. Scope of the financial statements

The financial statements present the Statement of Financial Activities (SOFA), the College Balance Sheet and the Statement of Cash Flows for the College.

The accounts of the affiliated student bodies (Harris Manchester College Junior and Middle Common Rooms) have not been consolidated as the College does not control these activities.

2. Basis of accounting

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") issued on 16 July 2014 and FRS 102 and the Charities Act 2011. They are drawn up under the historical cost convention except for the measurement of investments and certain financial assets and liabilities at fair value with movements in value reported within the Statement of Financial Activities (SOFA). The principal accounting policies adopted are set out below and have been applied consistently throughout the year.

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

The College is a public benefit entity for the purposes of FRS 102 and a registered charity.

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

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 most significant effect on amounts recognised in the financial statements.

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

With respect to the next financial year, the most significant areas of uncertainty that affect the carrying value of assets held by the College are the level of investment return, the performance of investment markets and the pension deficit contributions. The latter is going to be affected by the completion of the University Superannuation Scheme 2023 actuarial valuation.

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 exists 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.

The College participates in a multi-employer defined benefit pension plan. In the judgement of the Governing Body there is insufficient information about the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets in the financial statements and therefore the plan is accounted for as a defined contribution scheme (see note 20).

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents an industry-wide scheme such as Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a

HARIS MANCHESTER COLLEGE

Statement of Accounting Policies

Year ended 31 July 2023

deficit result in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in profit or loss in accordance with section 28 of FRS 102. The trustees are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the recovery plans in existence at the date of approving the financial statements.

4. Income recognition

All income is recognised once the College has entitlement to the income, the economic benefit is probable, and the amount can be reliably measured.

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

Fees receivable, less any scholarships, bursaries or other allowances granted from the College unrestricted funds, HEFCE support and charges for services and use of the premises 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 charity has entitlement to the resource, the amount can be reliably measured and the economic benefit to the College of the donation or grant is probable. Donations and grants subject to performance-related conditions are recognised as and when those conditions are met. Donations and grants subject to other specific conditions are recognised as those conditions are met or their fulfilment is wholly within the control of the College and it is probable that the specified conditions will be met.

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

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

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

c. Investment income

Interest on bank balances is accounted for on an accruals basis with interest recognised in the period to which the interest relates.

Dividend income and similar distributions are recognised on the date the share interest becomes ex-dividend or when the right to the dividend can be established.

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

5. Expenditure

Expenditure is accounted for on an accruals basis. A liability and related expenditure is 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.

HARIS MANCHESTER COLLEGE

Statement of Accounting Policies

Year ended 31 July 2023

All expenditure including support costs and governance costs are allocated or apportioned to the applicable expenditure categories in the Statement of Financial Activities (the SOFA).

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

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.

The cost of major renovation projects which increase the service potential of buildings is capitalised and depreciated over applicable periods once a project is completed.

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 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 |
| Building improvements | 50 years |
| Equipment | 5 years |

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

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

9. Heritage Assets

The College has chosen to hold heritage assets at cost. It has a number of assets, including items of art and historic texts that meet the definition of heritage assets under the SORP. The depreciated historic

HARIS MANCHESTER COLLEGE

Statement of Accounting Policies

Year ended 31 July 2023

cost of the majority of these items is nil. Items purchased are recognised at cost and items donated to the College are recognised at fair value. The College has taken advantage of the exemption within FRS 102 not to disclose transactions before 1 January 2015 as obtaining fair values for these assets would be impracticable and the cost of obtaining such valuations would outweigh the benefits to the users of these financial statements.

10. Investments

Investment properties are initially recognised at their cost and subsequently measured at their fair value (market value) at each reporting date. Purchases and sales of investment properties are recognised on exchange of contracts.

Listed investments are initially measured at their cost and subsequently measured at their fair value at each reporting date. Fair value is based on their quoted price at the balance sheet date without deduction of the estimated future selling costs.

Investments such as hedge funds and private equity funds which have no readily identifiable market value are initially measured at their costs and subsequently measured at their fair value at each reporting date without deduction of the estimated future selling costs. Fair value is based on the most recent valuations available from their respective fund managers.

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

11. 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 carried at their transaction price. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payment discounted at a market rate of interest.

12. Stocks

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

13. Foreign currencies

The functional and presentation currency of the College 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 [except when deferred and initially credited or charged in 'other recognised gains and losses' as qualifying cash flow hedges].

HARIS MANCHESTER COLLEGE

Statement of Accounting Policies

Year ended 31 July 2023

14. Fund accounting

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

Unrestricted funds can be used in furtherance of the objects of the College at the discretion of the Governing Body. The Governing Body may decide that part of the unrestricted funds shall be used in future for a specific purpose and this will be accounted for by transfers to appropriate designated funds.

Restricted funds comprise gifts, legacies and grants where the donors have specified that the funds are to be used for particular purposes of the College. They consist of either gifts where the donor has specified that both the capital and any income arising must be used for the purposes given or the income on gifts where the donor has required or permitted the capital to be maintained and with the intention that the income will be used for specific purposes within the College's objects.

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

Expendable endowment funds are similar to permanent endowment in that they have been given, or the College has determined based on the circumstances that they have been given, for the long term benefit of the College. However, the Governing Body may at their discretion determine to spend all or part of the capital.

15. Pension costs

The College participates in the Universities Superannuation Scheme and the Pensions Trust Growth Plan Series 1-3 & 4. The Universities Superannuation Scheme is a hybrid scheme providing defined benefits as well as benefits based on defined contributions. Series 1-3 of The Pensions Trust Growth Plan is a contributory defined benefit scheme. Series 4 of The Pensions Trust Growth Plan is a defined contribution scheme.

The assets of each scheme are held in a separate trustee-administered fund. Because of the mutual nature of the schemes, the assets are not attributed to individual employers and scheme-wide contribution rates are set. The College is therefore exposed to actuarial risks associated with other employers' employees and is unable to identify its share of the underlying assets and liabilities of the schemes on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the College therefore accounts for the schemes as if they were wholly defined contribution schemes. As a result, the amount charged to the profit and loss account represents the contributions payable to each scheme. Since the College has entered into agreements (the Recovery Plans) that determine how each employer within the schemes will fund the overall deficit, the College recognises a liability for the contributions payable that arise from the agreements (to the extent that they relate to the deficit) with related expenses being recognised through the profit and loss account.

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.

Harris Manchester College
Statement of Financial Activities
For the year ended 31 July 2023

| | Notes | Unrestricted Funds £'000 | Restricted Funds £'000 | Endowed Funds £'000 | 2023 Total £'000 | 2022 Total £'000 |
|---|-------|--------------------------------|------------------------------|---------------------------|------------------------|------------------------|
| INCOME AND ENDOWMENTS FROM: | | | | | | |
| Charitable activities: | 1 | | | | | |
| Teaching, research and residential | | 2,731 | 39 | - | 2,770 | 2,510 |
| Public worship | | - | - | - | - | - |
| Heritage | | - | - | - | - | - |
| Other Trading Income | 3 | 2 | - | - | 2 | 3 |
| Donations and legacies | 2 | 368 | 1,486 | - | 1,854 | 4,241 |
| Investments | | | | | | |
| Investment income | 4 | 737 | 67 | - | 804 | 617 |
| Total return allocated to income | | - | - | - | - | - |
| Other income | 5 | 89 | 99 | - | 188 | 28 |
| Total income | | 3,927 | 1,691 | - | 5,618 | 7,399 |
| EXPENDITURE ON: | | | | | | |
| Charitable activities: | 6 | | | | | |
| Teaching, research and residential | | 3,751 | 1,396 | - | 5,147 | 4,972 |
| Public worship | | - | - | - | - | - |
| Heritage | | - | - | - | - | - |
| Generating funds: | | | | | | |
| Fundraising | | 66 | 52 | - | 118 | 94 |
| Trading expenditure | | - | - | - | - | - |
| Investment management costs | | 4 | - | - | 4 | 5 |
| Total Expenditure | | 3,821 | 1,448 | - | 5,269 | 5,071 |
| Net Income/(Expenditure) before gains | | 106 | 243 | - | 349 | 2,328 |
| Net gains/(losses) on investments | 11 | 59 | - | (865) | (806) | (193) |
| Net Income/(Expenditure) | | 165 | 243 | (865) | (457) | 2,135 |
| Transfers between funds | 16 | 204 | (204) | - | - | - |
| Other recognised gains/losses | | | | | | |
| Gains/(losses) on revaluation of fixed assets | | - | - | - | - | - |
| Actuarial gains/(losses) on defined benefit pension schemes | | - | - | - | - | - |
| Net movement in funds for the year | | 369 | 39 | (865) | (457) | 2,135 |
| Fund balances brought forward | | 3,857 | 24,029 | 17,351 | 45,237 | 43,102 |
| Prior Year Adjustment | 31 | 22,272 | (22,272) | - | - | - |
| Adjusted balances brought forward | 16 | 26,129 | 1,757 | 17,351 | 45,237 | 43,102 |
| Funds carried forward at 31 July | | 26,498 | 1,796 | 16,486 | 44,780 | 45,237 |

Harris Manchester College
College Balance Sheet
As at 31 July 2023

| | Notes | 2023 College £'000 | Restated 2022 College £'000 |
|---|---------|--------------------------|--------------------------------------|
| FIXED ASSETS | | | |
| Tangible assets | 10 | 23,824 | 24,347 |
| Heritage assets | | - | - |
| Property investments | | - | - |
| Other Investments | 11 | 17,963 | 17,351 |
| Total Fixed Assets | | 41,787 | 41,698 |
| CURRENT ASSETS | | | |
| Stocks | | 14 | 14 |
| Debtors | 12 | 807 | 751 |
| Investments | | 800 | - |
| Cash at bank and in hand | | 3,253 | 4,456 |
| Total Current Assets | | 4,874 | 5,221 |
| LIABILITIES | | | |
| Creditors: Amounts falling due within one year | 13 | 1,254 | 718 |
| NET CURRENT ASSETS/(LIABILITIES) | | 3,620 | 4,503 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 45,407 | 46,201 |
| CREDITORS: falling due after more than one year | 14 | - | 270 |
| Provisions for liabilities and charges | 15 | - | - |
| NET ASSETS/(LIABILITIES) BEFORE PENSION ASSET OR LIABILITY | | 45,407 | 45,931 |
| Defined benefit pension scheme liability | 20 | 627 | 694 |
| TOTAL NET ASSETS/(LIABILITIES) | | 44,780 | 45,237 |
| FUNDS OF THE COLLEGE | | | |
| | 16 & 31 | | |
| Endowment funds | | 16,486 | 17,351 |
| Restricted funds | | 1,796 | 1,757 |
| Unrestricted funds | | | |
| Designated funds | | 23,721 | 23,932 |
| General funds | | 3,404 | 2,891 |
| Revaluation reserve | | - | - |
| Pension reserve | | (627) | (694) |
| | | 44,780 | 45,237 |

The financial statements were approved and authorised for issue by the Governing Body of Harris Manchester College on 29 November 2023

Prof J A Shaw:

Mr A Walters:

Harris Manchester College
Statement of Cash Flows
For the year ended 31 July 2023

| | | 2023 | 2022 |
|---|--------------|----------------|--------------|
| | Notes | £'000 | £'000 |
| Net cash provided by (used in) operating activities | 23 | 249 | 1,653 |
| Cash flows from investing activities | | | |
| Dividends, interest and rents from investments | | 804 | 617 |
| Proceeds from the sale of property, plant and equipment | | - | - |
| Purchase of property, plant and equipment | | (38) | (38) |
| Proceeds from sale of investments | | - | - |
| Purchase of investments | | (2,218) | (808) |
| Net cash provided by (used in) investing activities | | (1,452) | (229) |
| Cash flows from financing activities | | | |
| Repayments of borrowing | | - | - |
| Cash inflows from new borrowing | | - | - |
| Receipt of endowment | | - | 820 |
| Net cash provided by (used in) financing activities | | - | 820 |
| Change in cash and cash equivalents in the reporting period | | (1,203) | 2,244 |
| Cash and cash equivalents at the beginning of the reporting period | | 4,456 | 2,212 |
| Change in cash and cash equivalents due to exchange rate movements | | - | - |
| Cash and cash equivalents at the end of the reporting period | 25 | 3,253 | 4,456 |

Harris Manchester College
Notes to the financial statements
For the year ended 31 July 2023

1 INCOME FROM CHARITABLE ACTIVITIES

| | 2023 | 2022 |
|---|--------------|-------|
| | £'000 | £'000 |
| Teaching, Research and Residential | | |
| Unrestricted funds | | |
| Tuition fees - UK and EU students | 314 | 387 |
| Tuition fees - Overseas students | 993 | 828 |
| Other fees | 85 | 77 |
| Other HEFCE support | 40 | 35 |
| Other academic income | 60 | 192 |
| College residential income | 1,239 | 991 |
| | 2,731 | 2,510 |
| Restricted funds | | |
| Tuition fees - UK and EU students | - | - |
| Tuition fees - Overseas students | - | - |
| Other fees | - | - |
| Other HEFCE support | - | - |
| Other academic income | 39 | - |
| College residential income | - | - |
| | 39 | - |
| Endowed funds | | |
| Tuition fees - UK and EU students | - | - |
| Tuition fees - Overseas students | - | - |
| Other fees | - | - |
| Other HEFCE support | - | - |
| Other academic income | - | - |
| College residential income | - | - |
| | - | - |
| Total Teaching, Research and Residential | 2,770 | 2,510 |
| Public worship | | |
| Unrestricted funds | | |
| Choir school fees | - | - |
| Other | - | - |
| | - | - |
| Restricted funds | | |
| Choir school fees | - | - |
| Other | - | - |
| | - | - |
| Endowed funds | | |
| Choir school fees | - | - |
| Other | - | - |
| | - | - |
| Total Public worship | - | - |
| Heritage | | |
| Unrestricted funds | | |
| Heritage Income | - | - |
| Other charitable income | - | - |
| | - | - |
| Restricted funds | | |
| Heritage Income | - | - |
| Other charitable income | - | - |
| | - | - |
| Endowed funds | | |
| Heritage Income | - | - |
| Other charitable income | - | - |
| | - | - |
| Total Heritage | - | - |
| Total income from charitable activities | 2,770 | 2,510 |

The above analysis includes £1,347k received from Oxford University from publicly accountable funds under the CFF Scheme (2022: £1,250k). From Academic Year 2021/22 onwards, fee income from new EU students is generated at overseas rates.

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

Harris Manchester College
Notes to the financial statements
For the year ended 31 July 2023

2 DONATIONS AND LEGACIES

| | 2023 £'000 | 2022 £'000 |
|-------------------------------|---------------|---------------|
| Donations and Legacies | | |
| Unrestricted funds | 368 | 1,823 |
| Restricted funds | 1,486 | 1,598 |
| Endowed funds | - | 820 |
| | 1,854 | 4,241 |

3 INCOME FROM OTHER TRADING ACTIVITIES

| | 2023 £'000 | 2022 £'000 |
|-----------------------------------|---------------|---------------|
| Subsidiary company trading income | - | - |
| Other trading income | 2 | 3 |
| | 2 | 3 |

4 INVESTMENT INCOME

| | 2023 £'000 | 2022 £'000 |
|--|---------------|---------------|
| <i>Unrestricted funds</i> | | |
| Agricultural rent | - | - |
| Commercial rent | 12 | 12 |
| Other property income | 21 | 13 |
| Equity dividends | 660 | 575 |
| Income from fixed interest stocks | - | - |
| Interest on fixed term deposits and cash | - | - |
| Other investment income | - | - |
| Bank interest | 44 | 3 |
| Other interest | - | - |
| | 737 | 603 |
| <i>Restricted funds</i> | | |
| Agricultural rent | - | - |
| Commercial rent | - | - |
| Other property income | - | - |
| Equity dividends | 55 | 14 |
| Income from fixed interest stocks | - | - |
| Interest on fixed term deposits and cash | 11 | - |
| Other investment income | - | - |
| Bank interest | 1 | - |
| Other interest | - | - |
| | 67 | 14 |
| <i>Endowed funds</i> | | |
| Agricultural rent | - | - |
| Commercial rent | - | - |
| Other property income | - | - |
| Equity dividends | - | - |
| Income from fixed interest stocks | - | - |
| Interest on fixed term deposits and cash | - | - |
| Other investment income | - | - |
| Bank interest | - | - |
| Other interest | - | - |
| | - | - |
| Total Investment income | 804 | 617 |

5 OTHER INCOME

| | 2023 £'000 | 2022 £'000 |
|---|---------------|---------------|
| Miscellaneous Income - Unrestricted Funds | 89 | 28 |
| Miscellaneous Income - Restricted Funds | 99 | 0 |
| | 188 | 28 |

The College received £89k insurance payment following a positive outcome of insurance claim for building damages in April 2020. The repairs expenditure was accounted for accordingly in earlier years.
The College re-allocated £99k of various old creditors balances to appropriate funds.

Harris Manchester College
Notes to the financial statements
For the year ended 31 July 2023

6 ANALYSIS OF EXPENDITURE

| | 2023 | 2022 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Charitable expenditure | | |
| Direct staff costs allocated to: | | |
| Teaching, research and residential | 2,285 | 1,770 |
| Public worship | - | - |
| Heritage | - | - |
| Other direct costs allocated to: | | |
| Teaching, research and residential | 1,803 | 1,616 |
| Public worship | - | - |
| Heritage | - | - |
| Support and governance costs allocated to: | | |
| Teaching, research and residential | 1,059 | 1,586 |
| Public worship | - | - |
| Heritage | - | - |
| Total charitable expenditure | 5,147 | 4,972 |
| Expenditure on raising funds | | |
| Direct staff costs allocated to: | | |
| Fundraising | 81 | 66 |
| Trading expenditure | - | - |
| Investment management costs | - | - |
| Other direct costs allocated to: | | |
| Fundraising | 22 | 12 |
| Trading expenditure | - | - |
| Investment management costs | - | - |
| Support and governance costs allocated to: | | |
| Fundraising | 15 | 16 |
| Trading expenditure | - | - |
| Investment management costs | 4 | 5 |
| Total expenditure on raising funds | 122 | 99 |
| Total expenditure | 5,269 | 5,071 |

The 2023 resources expended of £5,269 (2022: £5,071k) represented £3,821k (2022: £3,441k) from unrestricted funds, £1,448k (2022: £1,630k) from restricted funds and £0k (2022: £0k) from endowed funds.

The College is liable to be assessed for Contribution under the provisions of Statute XV of the University of Oxford. The Contribution Fund is used to make grants and loans to colleges on the basis of need. Contributions are calculated annually in accordance with regulations made by the Council of the University of Oxford.

The teaching and research costs include College Contribution payable of £0k (2022 - £0k).

| | 2023 | 2022 |
|---|--------------|-------|
| | Total | Total |
| | £'000 | £'000 |
| Included within the resources expended above are: | | |
| Impairment charges | - | - |
| Stock recognised as an expense in the year | - | - |
| Operating lease payments | - | - |
| Foreign exchange losses | - | - |

Harris Manchester College
Notes to the financial statements
For the year ended 31 July 2023

7 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

| | Generating Funds £'000 | Teaching and Research £'000 | Public Worship £'000 | Heritage £'000 | 2023 Total £'000 |
|-------------------------------|------------------------------|--------------------------------------|----------------------------|-------------------|------------------------|
| Financial administration | 19 | 239 | - | - | 258 |
| Domestic administration | - | 166 | - | - | 166 |
| Human resources | - | 4 | - | - | 4 |
| IT | - | 133 | - | - | 133 |
| Depreciation | - | 560 | - | - | 560 |
| Loss/(profit) on fixed assets | - | - | - | - | - |
| Bank interest payable | - | - | - | - | - |
| Other finance charges | - | (68) | - | - | (68) |
| Governance costs | - | 25 | - | - | 25 |
| | 19 | 1,059 | - | - | 1,078 |

| | Generating Funds £'000 | Teaching and Research £'000 | Public Worship £'000 | Heritage £'000 | 2022 Total £'000 |
|-------------------------------|------------------------------|--------------------------------------|----------------------------|-------------------|------------------------|
| Financial administration | 21 | 242 | - | - | 263 |
| Domestic administration | - | 280 | - | - | 280 |
| Human resources | - | 4 | - | - | 4 |
| IT | - | 122 | - | - | 122 |
| Depreciation | - | 573 | - | - | 573 |
| Loss/(profit) on fixed assets | - | - | - | - | - |
| Bank interest payable | - | - | - | - | - |
| Other finance charges | - | 347 | - | - | 347 |
| Governance costs | - | 18 | - | - | 18 |
| | 21 | 1,586 | - | - | 1,607 |

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 allocated to the core operations of the College.

| | 2023 £'000 | 2022 £'000 |
|--|---------------|---------------|
| Governance costs comprise: | | |
| Auditor's remuneration - audit services | 20 | 17 |
| Auditor's remuneration - assurance services other than audit | - | - |
| Auditor's remuneration - tax advisory services | - | - |
| Auditor's remuneration - other services | 3 | - |
| Legal and other fees on constitutional matters | - | - |
| Other governance costs | 2 | 1 |
| | 25 | 18 |

Auditor's remuneration for audit services is shown including irrecoverable VAT and disbursements. No amount has been included in governance costs for the direct employment costs or reimbursed expenses of the College Fellows on the basis that these payments relate to the Fellows involvement in the College's charitable activities. Details of the remuneration of the Fellows and their reimbursed expenses are included as a separate note within these financial statements.

Harris Manchester College
Notes to the financial statements
For the year ended 31 July 2023

| 8 | GRANTS AND AWARDS | 2023 £'000 | 2022 £'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 | 2 | 3 |
| | Bursaries and hardship awards | 11 | 13 |
| | Grants to other institutions | 9 | - |
| | Total unrestricted | 22 | 16 |
| | Restricted funds | | |
| | Grants to individuals: | | |
| | Scholarships, prizes and grants | 80 | 104 |
| | Bursaries and hardship awards | 22 | 10 |
| | Grants to other institutions | - | - |
| | Total restricted | 102 | 114 |
| | Total grants and awards | 124 | 130 |

The figure included above represents the cost to the College of the Oxford Bursary scheme. Students of this college received £91k (2022: £84k). Some of those students also received fee waivers amounting to £0k (2022: £11k).

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

Harris Manchester College
Notes to the financial statements
For the year ended 31 July 2023

9 STAFF COSTS

| | 2023 | 2022 |
|---|--------------|-------|
| | £'000 | £'000 |
| The aggregate staff costs for the year were as follows. | | |
| Salaries and wages | 2,340 | 1,990 |
| Social security costs | 230 | 191 |
| Pension costs: | | |
| Defined benefit schemes - employer's contributions | 148 | 156 |
| Defined contribution schemes - employer's contributions | 66 | 55 |
| Defined benefit schemes - movement on pension provision | (91) | 347 |
| Other benefits | - | - |
| | 2,693 | 2,739 |

| | 2023 | 2022 |
|---|-------------|------|
| The average number of employees of the College, excluding Trustees, on a full time equivalent basis was as follows. | | |
| Tuition and research | 5 | 4 |
| College residential | 34 | 31 |
| Public worship | - | - |
| Heritage | - | - |
| Fundraising | 1 | 1 |
| Support | 6 | 6 |
| Total | 46 | 42 |

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

| | | |
|-----------------------------|-----------|----|
| University Lecturers | 5 | 5 |
| CUF Lecturers | 3 | 3 |
| Other teaching and research | 6 | 8 |
| Other | 4 | 4 |
| Total | 18 | 20 |

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

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

| | | |
|-------------------|----------|---|
| £60,001-£70,000 | 2 | - |
| £70,001-£80,001 | 1 | - |
| £80,001-£90,001 | - | - |
| £90,001-£100,001 | - | - |
| £100,001-£110,001 | - | - |

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

| | | |
|--|-----------|----|
| In defined benefits schemes | - | - |
| In defined contribution schemes | 3 | - |
| The College contributions to defined contribution pension schemes totalled | 66 | 55 |

Harris Manchester College
Notes to the financial statements
For the year ended 31 July 2023

10 TANGIBLE FIXED ASSETS

| College | Leasehold land and buildings £'000 | Freehold land and buildings £'000 | Plant and machinery £'000 | Fixtures, fittings and equipment £'000 | Total £'000 |
|------------------------------------|---|--|--|---|------------------------|
| Cost | | | | | |
| At start of year | - | 28,257 | 129 | 697 | 29,083 |
| Additions | - | - | 9 | 29 | 38 |
| Disposals | - | - | - | - | - |
| At end of year | - | 28,257 | 138 | 726 | 29,121 |
| Depreciation and impairment | | | | | |
| At start of year | - | 4,008 | 123 | 605 | 4,736 |
| Charge for the year | - | 512 | 2 | 47 | 561 |
| On disposals | - | - | - | - | - |
| Impairment | - | - | - | - | - |
| At end of year | - | 4,520 | 125 | 652 | 5,297 |
| Net book value | | | | | |
| At end of year | - | 23,737 | 13 | 74 | 23,824 |
| At start of year | - | 24,249 | 6 | 92 | 24,347 |

The above includes:

£0k (2022:£0k) of plant and machinery held under finance leases.

£0k (2022:£0k) of fixtures and fittings held under finance leases.

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.

Harris Manchester College
Notes to the financial statements
For the year ended 31 July 2023

11 OTHER INVESTMENTS

All investments are held at fair value.

| | 2023 | 2022 |
|---|---------------|--------|
| | £'000 | £'000 |
| Group investments | | |
| Valuation at start of year | 17,351 | 16,736 |
| New money invested | 1,418 | 808 |
| Amounts withdrawn | - | - |
| Reinvested income | - | - |
| Investment management fees | - | - |
| (Decrease)/increase in value of investments | (806) | (193) |
| College investments at end of year | 17,963 | 17,351 |

| | | | | | | |
|--------------------------------------|---------------------------------|----------------------------|---|---------------------------------|----------------------------|------------------------|
| College investments comprise: | Held outside the UK £'000 | Held in the UK £'000 | 2023 Total £'000 | Held outside the UK £'000 | Held in the UK £'000 | 2022 Total £'000 |
| Equity investments | 1,113 | 16,248 | 17,361 | - | 16,968 | 16,968 |
| Global multi-asset funds | - | - | - | - | - | - |
| Property funds | - | 216 | 216 | - | 141 | 141 |
| Fixed interest stocks | - | - | - | - | - | - |
| Alternative and other investments | - | - | - | - | - | - |
| Fixed term deposits and cash | - | 386 | 386 | - | 242 | 242 |
| Total group investments | 1,113 | 16,850 | 17,963 | - | 17,351 | 17,351 |

Harris Manchester College
Notes to the financial statements
For the year ended 31 July 2023

12 DEBTORS

| | 2023 | 2022 |
|--|----------------|----------------|
| | College | College |
| | £'000 | £'000 |
| Amounts falling due within one year: | | |
| Trade debtors | 200 | (35) |
| Amounts owed by College members | 33 | 23 |
| Amounts owed by Group undertakings | - | - |
| Loans repayable within one year | - | - |
| Prepayments and accrued income | 484 | 410 |
| Other debtors | 90 | 353 |
| Amounts falling due after more than one year: | | |
| Loans | - | - |
| | 807 | 751 |

13 CREDITORS: falling due within one year

| | 2023 | 2022 |
|------------------------------------|----------------|----------------|
| | College | College |
| | £'000 | £'000 |
| Bank overdrafts | - | - |
| Bank loans | - | - |
| Obligations under finance leases | - | - |
| Trade creditors | 131 | 66 |
| Amounts owed to College Members | - | - |
| Amounts owed to Group undertakings | - | - |
| Taxation and social security | 83 | 69 |
| College contribution | - | - |
| Accruals and deferred income | 526 | 228 |
| Other creditors | 514 | 355 |
| | 1,254 | 718 |

14 CREDITORS: falling due after more than one year

| | 2023 | 2022 |
|----------------------------------|----------------|----------------|
| | College | College |
| | £'000 | £'000 |
| Bank loans | - | - |
| Obligations under finance leases | - | - |
| Other creditors | - | 270 |
| | - | 270 |

15 PROVISIONS FOR LIABILITIES AND CHARGES

| | 2023 | 2022 |
|--|----------------|----------------|
| | College | College |
| | £'000 | £'000 |
| At start of year | - | - |
| Charged in the Statement of Financial Activities | - | - |
| Settled in the year | - | - |
| At end of year | - | - |

Harris Manchester College
Notes to the financial statements
For the year ended 31 July 2023

| 16 ANALYSIS OF MOVEMENTS ON FUNDS | Restated At 1 August 2022 £'000 | Incoming resources £'000 | Resources expended £'000 | Transfers £'000 | Gains/ (losses) £'000 | At 31 July 2023 £'000 |
|---|--|--------------------------------|--------------------------------|--------------------|-----------------------------|--------------------------------------|
| Endowment Funds - Permanent | | | | | | |
| College Endowment Fund | 9,672 | | | | (476) | 9,196 |
| Edward Robert Hamilton Wills Endowment | 6,590 | | | | (334) | 6,256 |
| Endowment Funds - Expendable | | | | | | |
| Scholarship Funds | 1,089 | | | | (55) | 1,034 |
| Total Endowment Funds - College | 17,351 | - | - | - | (865) | 16,486 |
| Endowment funds held by subsidiaries | - | - | - | - | - | - |
| Total Endowment Funds - Group | 17,351 | - | - | - | (865) | 16,486 |
| Restricted Funds | | | | | | |
| Development Funds (Restated) | - | - | - | | | - |
| Scholarship Funds | 251 | 136 | (94) | (3) | | 290 |
| Farmington Institute Fund | 259 | 437 | (602) | (94) | | - |
| Distinguished Careers Institute Fund | 52 | - | (32) | | | 20 |
| Wellbeing Research Centre | 833 | 754 | (446) | (77) | | 1,064 |
| Development Office | 27 | 52 | (52) | | | 27 |
| Fellowship Funds | 53 | 126 | (87) | (2) | | 90 |
| Other Funds | 282 | 185 | (134) | (28) | | 305 |
| Total Restricted Funds - College | 1,757 | 1,691 | (1,448) | (204) | - | 1,796 |
| Restricted funds held by subsidiaries | - | - | - | - | - | - |
| Total Restricted Funds - Group | 1,757 | 1,691 | (1,448) | (204) | - | 1,796 |
| Unrestricted Funds | | | | | | |
| Development Funds (Restated) | 23,932 | 300 | (511) | | | 23,721 |
| Fixed asset designated Fund | - | | | | | - |
| General funds | 2,891 | 3,627 | (3,377) | 204 | 59 | 3,404 |
| Revaluation reserve | - | | | | | - |
| Pension reserve | (694) | | 67 | | - | (627) |
| Total Unrestricted Funds - College | 26,129 | 3,927 | (3,821) | 204 | 59 | 26,498 |
| Unrestricted funds held by subsidiaries | | - | - | - | - | - |
| Total Unrestricted Funds - Group | 26,129 | 3,927 | (3,821) | 204 | 59 | 26,498 |
| Total Funds | 45,237 | 5,618 | (5,269) | - | (806) | 44,780 |

Harris Manchester College
Notes to the financial statements
For the year ended 31 July 2023

17 FUNDS OF THE COLLEGE DETAILS

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

Endowment Funds - Permanent:

College Endowment Fund

A consolidation of gifts and donations where capital and income, or only the income, can be used for the general purposes of the charity. Part of these funds may have been designated for a particular purpose by the Governing Body.

Edward Robert Hamilton Wills Endowment

A specific donation to be used to enhance the permanent endowment of the College where the income can be used for the general purposes of the charity

Endowment Funds - Expendable:

Scholarship Funds

A bequest where the use of the income is for a specific purpose so designated by the donor and which can only be used for that purpose or activity

Restricted Funds:

Development Fund

A consolidation of gifts and donations where both income and capital can be used for acquisition, replacement and maintenance of the College functional buildings. Balances moved to unrestricted funds upon capitalisation.

Scholarship Funds

A consolidation of gifts and donations where both income and capital can be used for student scholarships, prizes and support.

Farmington Institute Fund

Restricted funds include income of £437k given as a grant by the Farmington Trust to support the charitable activities of the Farmington Institute. The charitable activities of the Institute were transferred to Harris Manchester College on 1 August 2015, the Farmington Trust having determined that its charitable objects would be best achieved through such a transfer. Due to change of the relationship between two parties (the College & Farmington Trust), Farmington Institute is no longer a part of the College as from 01/08/2023 and the restricted fund has been discontinued from that date.

Distinguished Careers Institute Fund

A fund to provide a term-long programme for mid- and late - term professionals who want structured time to think about 'what next'

Wellbeing Research Centre

The Wellbeing Research Centre is a hub for researchers addressing the issues of human wellbeing and conducting research in different fields such as economics, behavioural science, psychology, philosophy and the environment. The Centre also hosts regular research seminars, social events and will be organising future academic talks and conferences. In 2021/2022, Wellbeing Research Centre entered into an agreement with World Wellbeing Centre, a UK company of which Professor Jan-Emmanuel de Neve, is a director with a view to the latter providing funding to the former for research purposes.

Development Office

A grant from the College Contributions Fund to fund the creation of a Development Office'

Fellowship Funds

A consolidation of gifts and donations where the income is to be used to support College fellowships.

Other Funds

A consolidation of gifts and donations received for support of general running of College. This includes funding received via CCF.

Designated Funds

Fixed asset designated

Unrestricted Funds which are represented by the fixed assets of the College and therefore not available for expenditure on the College's general purposes. The Trustees have transferred the balance on this fund into general college reserves as it is no longer considered necessary to show separately.

Designated Revenue Funds

Designated Revenue Funds represent monies ring-fenced for specific purposes by Governing Body

Development Fund

Unrestricted Funds allocated by the Fellows for future costs of replacement and maintenance of the College functional buildings

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

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted Funds £'000 | Restricted Funds £'000 | Endowment Funds £'000 | 2023 Total £'000 |
|--------------------------|--------------------------------|------------------------------|-----------------------------|--|
| Tangible fixed assets | 23,824 | - | - | 23,824 |
| Property investments | - | - | - | - |
| Other investments | 1,477 | - | 16,486 | 17,963 |
| Net current assets | 1,824 | 1,796 | - | 3,620 |
| Long term liabilities | - | - | - | - |
| Pension scheme liability | (627) | - | - | (627) |
| | 26,498 | 1,796 | 16,486 | 44,780 |
| | Unrestricted Funds £'000 | Restricted Funds £'000 | Endowment Funds £'000 | Restated 2022 Total £'000 |
| Tangible fixed assets | 24,347 | - | - | 24,347 |
| Property investments | - | - | - | - |
| Other investments | - | - | 17,351 | 17,351 |
| Net current assets | 2,746 | 1,757 | - | 4,503 |
| Long term liabilities | (270) | - | - | (270) |
| Pension scheme liability | (694) | - | - | (694) |
| | 26,129 | 1,757 | 17,351 | 45,237 |

Harris Manchester College
Notes to the financial statements
For the year ended 31 July 2023

19 TRUSTEES' REMUNERATION

The Fellows who are the Trustees of the College for the purposes of charity law receive no remuneration for acting as charity trustees but are paid by either or both of the University and the College for the services they provide to the College.

Trustees of the college fall into the following categories:

Head of House
 Professorial Fellow
 Official Fellow
 Fellow by Special Election
 Research Fellow
 Tutor in Ministerial Training

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

The College has a Remuneration Committee which makes recommendations to the Governing Body on pay and benefits which are outside of external scales. The composition of the Remuneration Committee is set out in page 2-3 of the financial statements in the section, Governing Body, Officers and Advisers.

Remuneration paid to trustees

| Range | Number of Trustees/Fellows | 2023 | Number of Trustees/Fellows | 2022 |
|-------------------|-------------------------------|---|-------------------------------|---|
| | | Gross remuneration, taxable benefits and pension contributions £ | | Gross remuneration, taxable benefits and pension contributions £ |
| £1,000-£1,999 | | | 1 | 1,500 |
| £6,000-£6,999 | | | | |
| £7,000-£7,999 | 1 | 7,519 | | |
| £8,000-£8,999 | 1 | 8,055 | 1 | 8,091 |
| £9,000-£9,999 | | | 2 | 19,497 |
| £10,000-£10,999 | 1 | 10,488 | 1 | 10,910 |
| £11,000-£11,999 | 1 | 11,871 | | |
| £12,000-£12,999 | 1 | 12,740 | 4 | 50,451 |
| £13,000-£13,999 | 3 | 39,548 | | |
| £16,000-£16,999 | 1 | 16,852 | | |
| £21,000-£21,999 | | | | |
| £23,000-£23,999 | 2 | 46,615 | | |
| £37,000-£37,999 | | | | |
| £40,000-£40,999 | | | | |
| £42,000-£42,999 | | | | |
| £44,000-£44,999 | | | 1 | 44,904 |
| £47,000-£47,999 | 1 | 47,594 | 2 | 95,720 |
| £48,000-£48,999 | | | 1 | 48,139 |
| £49,000-£49,999 | 2 | 98,502 | | |
| £57,000-£57,999 | | | 1 | 57,780 |
| £59,000-£59,999 | 1 | 59,960 | | |
| £63,000-£63,999 | | | 1 | 63,538 |
| £65,000-£65,999 | 1 | 65,785 | | |
| £68,000-£68,999 | | | 1 | 68,659 |
| £70,000-£70,999 | | | 1 | 70,587 |
| £73,000-£73,999 | 1 | 73,139 | | |
| £75,000-£75,999 | | | 1 | 75,089 |
| £78,000-£78,999 | | | | |
| £79,000-£79,999 | | | 1 | 79,422 |
| £81,000-£81,999 | | | | |
| £82,000-£82,999 | 1 | 82,231 | | |
| £85,000-£85,999 | 1 | 85,778 | | |
| £127,000-£127,999 | | | | |
| £132,000-£132,999 | | | 1 | 132,802 |
| £136,000-£136,999 | 1 | 136,208 | | |
| Total | 20 | 802,885 | 20 | 827,089 |

12 trustees are not employees of the college and do not receive remuneration.

All trustees may eat at common table, as can all other employees who are entitled to meals while working.

Other transactions with trustees

See also note 28 Related Party Transactions

Key management remuneration

The total remuneration paid to key management was £487k (2022: £451k).

Key management are considered to be the Principal, Bursar, Domestic Bursar, Senior Tutor, Academic Administrator and Director of Governance & Projects.

20 PENSION SCHEMES

The College participates in the Universities Superannuation Scheme ("the USS") and the TPT Retirement Solutions Growth Plan ("the TPT") (former the Pensions Trust) on behalf of its staff. USS is a contributory mixed benefit scheme (i.e. provides benefits on a defined benefit basis – based on length of service and pensionable salary – and on a defined contribution basis – based on contributions into the scheme). Growth Plan Series 1-3 of the TPT are contributory defined benefit schemes and Growth Plan Series 4 of the TPT is a defined contribution scheme. The assets of USS and TPT are each held in separate trustee-administered funds.

Both schemes are multi-employer schemes and the College is unable to identify its share of the underlying assets and liabilities relating to defined benefits of each scheme on a consistent and reasonable basis. Therefore, in accordance with the accounting standard FRS 102 paragraph 28.11, the College accounts for the schemes as if they were defined contribution schemes. As a result, the amount charged to the Income and Expenditure Account represents the contributions payable to the schemes in respect of the accounting period. In the event of the withdrawal of any of the participating employers in USS or TPT, the amount of any pension funding shortfall (which cannot be otherwise recovered) in respect of that employer will be spread across the remaining participating employers and reflected in the next actuarial valuation of the scheme.

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.

The college has been adhering to the automatic enrolment regulations and making payments into either USS or TPT for eligible employees.

Universities Superannuation Scheme (USS)

The pension charge for the year includes £53,114 (2022: £524,387) in relation to the USS. This represents contributions of £140,824 (2022: £147,488) payable to the USS and adjusted by the positive change in the deficit funding liability between the opening and closing balance sheet dates of £87,710 (2022: negative change of £376,899).

Qualified actuaries periodically value the USS 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 the scheme. The financial assumptions were derived from market conditions prevailing at the valuation date. The results of the latest actuarial valuation and the assumptions which have the most significant effect on the results were:

| | | USS |
|--|---|---|
| Date of valuation | | 31/03/2020 |
| Date of valuation results published | | 30/09/2021 |
| Value of liabilities | | £80.6bn |
| Value of assets | | £66.5bn |
| Funding Surplus/(Deficit) | | (£14.1bn) |
| Principal assumptions | | |
| | Discount rate | a Fixed Interest gilt yield curve plus 1% - 2.75% |
| | Rate of increase in salaries | n/a |
| | Rate of increase in pensions | b CPI +0.05% ^c |
| Assumed life expectancies on retirement at age 65: | | |
| | Males currently aged 65 | 24.0 yrs |
| | Females currently aged 65 | 25.6 yrs |
| | Males currently aged 45 | 26.0 yrs |
| | Females currently aged 45 | 27.4 yrs |
| Funding Ratios | | |
| | Technical Provisions basis | 83% |
| | Statutory Pension Protection Fund basis | 64% |
| | "Buy-out" basis | 51% |
| | | 21.4% to 21.6% from 1 Apr 22 |
| Employer's contribution rate (as % of pensionable salaries): | | |
| Effective date of next valuation: | | 31/03/2023 |

Notes

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

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

b Pensions increases (CPI) for the USS valuation were:

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

c. The USS employer contribution rate includes provisions for the cost of future accrual of defined benefits, deficit contributions, administrative expenses and defined contributions

Harris Manchester College
Notes to the financial statements
For the year ended 31 July 2023

Sensitivity of actuarial valuation assumptions

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

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

Deficit Recovery Plans

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

| | 2022/23 | 2021/22 |
|--|----------------|----------------|
| Finish Date for Deficit Recovery Plan | 30/04/38 | 31/03/38 |
| Average staff number increase | 0.00% | 0.00% |
| Average staff salary increase | 5.00% | 4.00% |
| Average discount rate over period | 5.49% | 3.34% |
| Effect of 0.5% change in discount rate | £22k | £28k |
| Effect of 1% change in staff growth | £48k | £62k |

A provision of £622,290 has been made at 31 July 2023 (2022: £687,052) for the present value of the estimated future deficit funding element of the contributions payable under this agreement, using the assumptions shown. The provision reduces as the deficit is paid off according to the pension recovery scheme.

A copy of the full actuarial valuation report and other further details on the scheme are available on the USS website www.uss.co.uk

TPT Retirement Solutions (TPT)

The pension charge for the year includes a charge of £3,508 (2022: -£20,491) in relation to the TPT defined benefit scheme. This represents contributions of £6,782 (2022: £9,086) payable to the TPT and adjusted by the positive change in the deficit funding liability between the opening and closing balance sheet dates of £3,274 (2022: positive £29,577).

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the college is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2022 to 31 January 2025: £3,312,000 per annum (payable monthly)

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2019 to 30 September 2025: £11,243,000 per annum (payable monthly and increasing by 3% each on 1st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Harris Manchester College
Notes to the financial statements
For the year ended 31 July 2023

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

A provision of £4,587 has been made at 31 July 2023 (2022: £7,673) 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 continue to have a constant level of employee participation in this scheme and that the relevant earnings of these employees will increase in line with the actuary's projected long-term salary rate increases.

| Assumptions | 31/07/2023 | 31/07/2022 | 31/07/2021 |
|--------------------|-------------|-------------|-------------|
| | % per annum | % per annum | % per annum |
| Rate of discount | 5.98 | 3.15 | 0.57 |

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

Pension charge for the year

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

| Scheme | 2023 | 2022 |
|---|--------|--------|
| | £000's | £000's |
| Universities Superannuation Scheme | 141 | 156 |
| Pensions Trust Growth Plan Series 1 and 2 | 7 | 0 |
| Pensions Trust Growth Plan Series 4 | 66 | 55 |
| Total | 214 | 211 |

These amounts include £66k contributions payable to defined contribution schemes at rates specified in the rules of those plans.

Included in other creditors and accruals are pension contributions payable of £33k (2022: £29k).

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. Accordingly no provision for taxation has been included in the financial statements.

Harris Manchester College
Notes to the financial statements
For the year ended 31 July 2023

22 FINANCIAL INSTRUMENTS

The financial statements include the following in respect of items held at fair value:

| | 2023 | | | 2022 | | |
|---|-----------------|------------------|------------------------------|-----------------|------------------|------------------------------|
| | Income £'000 | Expense £'000 | Gains / (losses) £'000 | Income £'000 | Expense £'000 | Gains / (losses) £'000 |
| Financial assets measured at fair value through profit or loss | - | - | (806) | - | - | (193) |
| Financial liabilities measured at fair value through profit or loss | - | - | - | - | - | - |
| Financial assets measured at amortised cost | - | - | - | - | - | - |
| Financial liabilities measured at amortised cost | - | - | - | - | - | - |

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

| | 2023 £'000 | 2022 £'000 |
|--|---------------|---------------|
| Net income/(expenditure) | (457) | 2,135 |
| Elimination of non-operating cash flows: | | |
| Investment income | (804) | (617) |
| (Gains)/losses in investments | 806 | 193 |
| Endowment donations | - | (820) |
| Depreciation | 561 | 574 |
| (Surplus)/loss on sale of fixed assets | - | - |
| Decrease/(Increase) in stock | - | (3) |
| Decrease/(Increase) in debtors | (56) | (48) |
| (Decrease)/Increase in creditors | 266 | (107) |
| (Decrease)/Increase in provisions | - | - |
| (Decrease)/Increase in pension scheme liability | (67) | 346 |
| Net cash provided by (used in) operating activities | 249 | 1,653 |

24 ANALYSIS OF CHANGES IN NET DEBT

| | At 01/08/22 | Cashflows | Other non cash changes | At 31/07/23 |
|----------------------------------|-------------|-----------|------------------------|-------------|
| Cash and cash equivalents | | | | |
| Cash at bank and in hand | 4,456 | -1,203 | | 3,253 |

25 ANALYSIS OF CASH AND CASH EQUIVALENTS

| | 2023 £'000 | 2022 £'000 |
|--|---------------|---------------|
| Cash at bank and in hand | 3,253 | 4,456 |
| Notice deposits (less than 3 months) | - | - |
| Bank overdrafts | - | - |
| Total cash and cash equivalents | 3,253 | 4,456 |

Harris Manchester College
Notes to the financial statements
For the year ended 31 July 2023

26 FINANCIAL COMMITMENTS

At 31 July the College had annual commitments under non-cancellable operating leases as follows:

| | 2023 | 2022 |
|-------------------------------------|--------------|----------|
| | £'000 | £'000 |
| Land and buildings | | |
| expiring within one year | - | - |
| expiring between two and five years | - | - |
| expiring in over five years | - | - |
| | | |
| expiring within one year | - | - |
| expiring between two and five years | - | - |
| expiring in over five years | - | - |
| | <u>-</u> | <u>-</u> |

27 CAPITAL COMMITMENTS

The College had authorised commitments at 31 July 2023 for future capital projects totalling £nil (2022- £nil) and contracted commitments of £nil (2022 - £nil).

28 RELATED PARTY TRANSACTIONS

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

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.

In accordance with the College's House Purchase Contribution scheme, the College has acquired beneficial interests in the homes of the following Fellows who are also trustees.

The trustee may be required to purchase the beneficial interest following their departure from College. The majority of the investments is held within the endowment.

| | 2023 | 2022 |
|--------------|--------------|------------|
| | £'000 | £'000 |
| Dr J Hordern | 66 | 66 |
| Dr I Ruiz | 75 | 75 |
| Dr G Hadley | 75 | - |
| | <u>216</u> | <u>141</u> |

The Principal and Harry Henderson are trustees and George Hudson is a PSC of the Farmington Trust Limited. Details of the arm's length transactions with the Farmington Trust Limited are given in note 16.

Other related party transactions:

Jan De Neve is a member of Board of Directors for World Wellbeing Movement Ltd from which Wellbeing Research Centre receives grants (see note 17). Grants received in the year: £237k (2022: £0).

Behavioural Data Lab Ltd for which Jan De Neve is one of the directors is a sub-contractor to Wellbeing Research Centre in order to fulfil its role as academic partner and co-editor of the World Happiness Report. Payment received from Wellbeing Research Centre in the year: £14.5k (2022: £14.5k).

29 CONTINGENT LIABILITIES

At 31st July 2023, the College had no contingent liabilities.

30 POST BALANCE SHEET EVENTS

There are no post balance sheet events that require disclosure.

Harris Manchester College
Notes to the financial statements
For the year ended 31 July 2023

31 PRIOR YEAR ADJUSTMENT

The College has corrected the treatment of the restricted Development Fund for which donors' covenants have now been exercised. The total balance of this fund as at 31 July 2022 of £22,272 has been transferred from the restricted Development Fund to the unrestricted Development Fund.

The correction affected the prior year-end Balance Sheet balances:

| | As at 31 July 2022 £'000 | Adjustment £'000 | Restated Balances £'000 |
|-----------------------------|--------------------------------|---------------------|-------------------------------|
| FUNDS OF THE COLLEGE | | | |
| Endowment funds | 17,351 | 0 | 17,351 |
| Restricted funds | 24,029 | (22,272) | 1,757 |
| Unrestricted funds | | | |
| Designated funds | 1,660 | 22,272 | 23,932 |
| General funds | 2,891 | 0 | 2,891 |
| Revaluation reserve | | | |
| Pension reserve | (694) | 0 | (694) |
| | <u>45,237</u> | <u>0</u> | <u>45,237</u> |