

Hertford College

Annual Report and Financial Statements

Year ended 31 July 2014

Hertford College
Annual Report and Financial Statements
Contents

	Page
Governing Body, Officers and Advisers	2
Report of the Governing Body	5
Auditor's Report	11
Statement of Accounting Policies	12
Consolidated Statement of Financial Activities	14
Consolidated and College Balance Sheets	15
Consolidated Cashflow Statement	16
Notes to the Financial Statements	17

Hertford College
Governing Body, Officers and Advisers
Year ended 31 July 2014

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 during the year or subsequently are detailed below.

Governing Body Fellow	College Officers	In year change	(1)	(2)	(3)	(4)	(5)
Professor L F Alday						•	
Dr C Anderson		Resigned 30/9/2013					
Dr D Ashournia		Elected 01/10/2013					
Professor R N E Barton							
Professor J H Bayley							
Professor A Bogg							
Professor C D Brewer	Senior Tutor and Editor of the College Magazine		•		•	•	
Dr P A Bull							
Dr S L Burrough		Resigned 30/09/2013					
Dr J Castell		Resigned 31/08/2014					
Dr E Chatzis		Elected 01/09/2013					
Professor Z F Cui							
Professor Dame K Davies							
Professor A Doucet		Elected 12/03/2014					
Dr D Dwan		Elected 01/10/2014					
Professor R F Foster				•			
Professor B M Frellesvig							
Dr D Gill				•			
Professor D Greaves							
Dr S Henry							
Dr D M Hopkin					•		
Mr W N Hutton	Principal		•	•	•	•	•
Dr J Kiaer							
Dr A G Lauder							

Hertford College
Governing Body, Officers and Advisers
Year ended 31 July 2014

Governing Body Fellow	College Officers	In year change	(1)	(2)	(3)	(4)	(5)
Mr J P Lazarus	Bursar			•	•	•	•
Dr J Lorimer							•
Dr K Lunn-Rockliffe						•	
Professor M Maiden			•				
Professor P J R Millican						•	
Dr S J New				•			
Dr O J Noble Wood	Fellow Librarian		•				•
Professor P F Roche	Investment Bursar			•	•	•	
Professor C J Schofield							
Professor R Sitsapesan		Elected 31/08/2013					
Dr E Smith					•	•	
Professor G Sternberg							
Professor T Suzuki			•				
Ms J Thaxton	Director of Development	Elected 22/01/2014			•		
Professor D Thomas							
Dr C Tyerman	Tutor for Graduates and Archivist		•				•
Professor C Vallance			•				
Professor T Wilson					•		
Professor M Wooldridge		Elected 01/10/2014					
Dr A C S Woollard	Dean		•			•	•
Dr A Young	Tutor for Women						•
Dr R G Zubek				•			

During the year the main activities of the Governing Body were carried out through five committees. The membership of these committees during the academic year 2013-14 is shown above for each Fellow.

- (1) Academic Committee:
- (2) Treasury Committee
- (3) Committee for the Development Office
- (4) General Purposes Committee
- (5) Domus Committee

Hertford College
Governing Body, Officers and Advisers
Year ended 31 July 2014

Day to day management of the College is delegated to the College Officers noted above, who are in turn supported by members of staff.

COLLEGE ADVISERS

Investment managers

Rathbones Investment Management Ltd

1 Curzon Street
London
W1J 5FB

Auditor

Crowe Clark Whitehill LLP
St Bride's House
10 Salisbury Square
London EC4Y 8EH

Bankers

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

Solicitors

Darbys Solicitors LLP
Midland House,
West Way,
Botley,
Oxford, OX2 0PH

College address

Hertford College
Catte street
Oxford OX1 3BW

Website

www.hertford.ox.ac.uk

The Members of the Governing Body present their Annual Report for the year ended 31 July 2013 under the Charities Act 2011 together with the audited financial statements for the year.

REFERENCE AND ADMINISTRATIVE INFORMATION

The Principal Fellows and Scholars of Hertford College in the University of Oxford, which is known as Hertford College (“the College”), is an eleemosynary chartered charitable corporation aggregate. The college was founded by an Act of Parliament in 1874 that incorporated Magdalen Hall as Hertford College. An Act of Parliament of 1816 had granted Magdalen Hall the site and residual possessions of an earlier, by then defunct Hertford College. This had received a Royal Charter in 1740, being the successor to Hart Hall which claimed its origins in a hall of residence established by Elias de Hertford c. 1282. The College registered with the Charities Commission on 17th August 2010 (registered number 1137527).

The names of all Members of the Governing Body at the date of this report and of those in office during the year, together with details of advisers of the College, are given on pages 2 to 4.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

The College is governed by its Statutes made under the provision of the Oxford and Cambridge act 1923 and approved by Order in Council on 12th October 2011.

Governing Body

The Governing Body is constituted and regulated in accordance with the College Statutes, the terms of which are enforceable ultimately by the Visitor, who is the Chancellor of The University of Oxford. New members of the Governing Body are elected by the votes of not less than two thirds of the total number of Fellows and with the consent of the Principal.

The Governing Body determines the on-going strategic direction of the College and regulates its administration and the management of its finances and assets. It meets regularly under the chairmanship of the Principal and is advised by committees.

Recruitment and training of Members of the Governing Body

New Members of the Governing Body are inducted into the workings of the College, including Governing Body policy and procedures, by the Principal and Bursar.

Members of Governing Body have the opportunity to attend trustee information briefings to keep them informed on their duties as trustees and regulatory requirements.

Organisational management

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

- Academic Committee: advises and reports to Governing Body on all matters relating to academic policy and has oversight of the academic reputation of the College in all its aspects.
- Treasury Committee: has oversight of the College’s finances and investments and reports to Governing Body on the effectiveness and propriety of the College’s financial management.
- Committee for the Development Office: leads on the development of the strategy for the College’s development activities, identifies funding priorities within the framework of the College’s strategic plan and in liaison with Academic Committee and oversees the performance and financial management of the Development Office.
- General Purposes Committee: receives reports from and provides support to the Principal on College business in his/her role as its representative within the University and the wider world. The Committee receives nominations for College Offices and membership of committees.
- Domus Committee: has oversight of the domestic management of the College.

- Remuneration Committee: consists of four persons not in receipt of remuneration from the College of which three are not members of Governing Body. The Committee makes recommendations to Governing Body on Fellows' allowances and College Officers' stipends.
- The College has recently set up an IT Committee: to formulate and maintain a College IT Strategy for approval by Governing Body.

Group structure and relationships

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

The College has a wholly-owned non-charitable subsidiary, Hertford College Programmes, which started trading on 1st August 2010 and whose annual profits are donated to the College under the Gift Aid Scheme. The subsidiary's trading activities primarily comprise revenue from conferences and English Language programmes which use the College's facilities when not in use by the College. The subsidiary's aims, objectives and achievements are covered in the relevant sections of this report.

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.

Risk management

The College is engaged in risk assessment on an ongoing basis. When it is not able to address risk issues using internal resources, the College takes advice from experts external to the College with specialist knowledge. Policies and procedures within the College are reviewed by the relevant College Committee, chaired by the Principal. Financial risks are assessed by the Treasury Committee which is in turn advised by the Investment Advisory Board on investment risk. In addition, the Bursar and heads of department meet regularly to review health and safety issues. Training courses and other forms of career development are available, when requested, to members of staff to enhance their skills in risk-related areas.

The Governing Body, who have ultimate responsibility for managing any risks faced by the College, have given consideration to the major risks to which the College and its subsidiary are exposed and have concluded that adequate systems are in place to manage these risks. It is recognised that systems can provide only reasonable but not absolute assurance that major risks have been managed.

OBJECTIVES AND ACTIVITIES

Charitable Objects and Aims

The College's Objects are to advance public learning by the provision of a college in the University of Oxford.

The Governing Body is mindful of the long-standing requirement to provide public benefit and of the disclosure requirements of the Charities Act 2011. In this connection the Governing Body has monitored closely the general and supplemental guidance produced by the Charity Commission, in particular its public benefit guidance on advancement of education and on fee-charging.

The College's aims for the public benefit are to:

- Promote excellence in undergraduate education, including pastoral and academic support.
- Make that excellence accessible to all who can benefit from it regardless of their social or economic background.
- Provide pastoral and academic support to graduate students.
- Promote excellence in research on the part of its Fellows and Stipendiary Lecturers.

The aim of the College's subsidiary is to help fund the achievement of the College's aims as above.

Public benefit

The College remains committed to the aim of providing public benefit in accordance with its founding principles. The College's Public Benefit Statement is published on the College website.

Hertford College
Report of the Governing Body
Year ended 31 July 2014

The College advances public learning by providing higher education for undergraduate and postgraduate students within Oxford University, and by supporting the pursuit of publicly disseminated research. The College currently has approximately 407 undergraduates, 241 postgraduates, and 45 fellows who have contractual obligations to teaching and to research. The College provides public benefit by offering higher education to its undergraduates, much of it via the tutorial system which provides the opportunity to meet with a tutor on a weekly basis during term time. In addition, the College provides classes, seminars and other forms of teaching as appropriate, in conjunction with the University's departments. To support student learning, the College also provides the use of the College's library and accommodation and actively promotes the wider cultural and social education of its students through the provision of computer, sports, careers advice and other facilities.

Graduates at the College form an important part of the academic community. While they are taught at their University Faculty, every graduate student is assigned a College Graduate Adviser who provides pastoral support.

The College also advances research in a range of disciplines by employing academics who have a contractual obligation to undertake published research, and providing them with a supportive academic atmosphere, including the provision of research grants, library and computer facilities, office accommodation and meals. The high levels of research activity by College fellows have been audited by the national Research Assessment Scheme (2008); that research is disseminated through published papers, books, websites and lectures. The College supports the research of academics who, at the beginning of their careers, have already shown outstanding promise in their chosen field of research by providing a fully funded Junior Research or Career Development Fellowship for a period of up to three years to enable the holder to concentrate solely on their topic of research.

The College offers undergraduate places on the basis of academic merit. The College aims to attract students who are most able to benefit from an Oxford education regardless of sex, gender, income, ethnic origin, religion, previous educational opportunity, or disability, and actively works to recruit students from non-traditional backgrounds by promoting access with comprehensive schools.

Financial support is available to undergraduates from the UK or the EU to assist them with the costs of tuition fees and living costs whilst at the College. In addition to the student loans provided by the Student Loans Company that are available to undergraduates from within the EU, other financial support is available to undergraduates from the University and the College who are from households where income is below a certain level.

- **Fee waivers** are provided to UK and EU undergraduates starting in October 2012 whose household income is assessed by their regional funding agency to be less than £25,000 a year. Students with household income less than £16,000 a year receive a 33% reduction on the £9,000 fee over three years.
- **Oxford Bursaries** are available to UK undergraduates from households assessed as having a sufficiently low income. In the 2013/14 academic year, 104 students or about 26% of the College's UK undergraduates received an Oxford Opportunity Bursary funded jointly by the University and the College. In 2011/12 the College introduced a **Hertford Undergraduate Bursary** of £1,000, payable to all undergraduates eligible for an Oxford Opportunity Bursary at a total cost of £98k in 2013/14) funded by donations. This bursary was extended to EU students in 2012/13.
- The College has a **Student Support Fund** which makes grants to both undergraduate and graduate students who experience unexpected financial hardship. In 2013/14 the College distributed £20k to support students in this way.
- The College supports the cost of accommodation in Oxford for UK and EU undergraduates studying for their course during the vacation. The total cost of the **Academic Vacation Grant** in 2013/14 was £50k.

Graduate funding is available for some studies and for the most able there are a limited number of scholarship funds available that graduates may apply for, which are administered by the University, the College or other sources. The College awards Senior Scholarships each year which are open to any student intending to read for a higher degree in Oxford. In 2013/14 there were nine Senior Scholars with in-year awards totalling £32k. In addition, there were other awards totalling £67k. A number of academic prizes are available to undergraduates and graduates at the College. Prizes are awarded on the basis of academic excellence and they serve to encourage academic endeavour at the College. The College also advances education for its

graduates and undergraduates by providing travel grants totalling £10k to meet costs involved in undertaking research and presenting papers at conferences.

ACHIEVEMENTS AND PERFORMANCE

The College set two key objectives in 2011/12. The objectives and the College's progress in achieving them in 2013 - 2014 are summarised below:

1. Implement the College's academic strategy, incorporating the outcomes of the admissions review, and take forward the agreed recommendations.

The College completed a comprehensive review of academic strategy including admissions and outreach activities. A number of recommendations were approved by the Governing Body. As a result (in 2012-13) the College created two new posts: an Academic Registrar, who has assumed many of the day-to-day responsibilities of the Senior Tutor and Tutor for Admissions, and an Outreach Officer, who is a Career Development Fellow and member of Governing Body and who has led the College's outreach and access activities while also pursuing his research. The first post-holder has now secured a permanent appointment and a new CDF will be in post by January 2015. The College's outreach involves a diverse range of activities, most notably an extensive range of visits to and from schools and support for the major university-wide access programmes. As a result of a significant donation, the College has also undertaken significant outreach in Computer Science and Philosophy.

The college is seeking to raise the standard of academic provision for undergraduates and graduates, to improve the overall student experience, and commit to increasing the proportion of students applying to the college from non traditional schools. It is encouraged by strong performance by finalists in 2014 and a sizeable increase in applications from state schools.

In accordance with its strategy, the College has strengthened the fellowship with a number of new appointments, including a new fellow in English.

The College is investing to enhance the experience of graduate students. These include the funding of 3 new scholarships and a range of measures to deepen the relationship with its Graduates and provide opportunities for them to broaden their academic experience.

2. Implement an enhanced development strategy.

The Development Office has been enhanced to enable the college to broaden its fund-raising activities. In January 2014, the College appointed a new Development Director and Governing Body agreed a new strategy for Development in June 2014. The College has had a good year in terms of new pledges made and funds received. A wide range of fund-raising and alumni events were held during the year in the UK, Asia and the USA. The College's academic strategy identified a number of fund-raising priorities and the College has reached its target of permanently funding an academic post in history in conjunction with the University Teaching Fund.

The College continues to prioritise fundraising for student support and undertook a major fund raising project in the form of a sponsored bike ride from the College's 'Bridge of Sighs' to Venice. This will have raised a total of some £340k towards student bursaries, hardship grants, scholarships and outreach, once all pledged donations have been received.

FUTURE PLANS

The College plans to build on the achievements of the last year, to continue to refine and implement its academic strategy, to enhance its undergraduate intake from the state sector and make further progress in developing a much improved academic and college experience for graduates that may prove the foundation of a college based graduate school. In addition to raise funds to endow key teaching posts, improve its estate and fund student support, and to steward its finances to ensure it is well placed to manage what are anticipated to be more difficult years ahead.

FINANCIAL REVIEW

The College's consolidated total funds increased by £3.5m in the year to £68.3m at 31st July 2014. Unrestricted funds increased by £1.5m to £17m, restricted funds increased by £154k to £0.8m and endowed funds grew by £1.9m to £50.5m.

The College's incoming resources were £10,372k or £849k higher than the previous year as a result of higher donation, teaching, trading and donation income. Resources expended before investment gains were £8,565k, an increase of £238k.

Income from charitable activities was £5,376k, an increase of £229k on the previous year. Tuition and research income was £2,947k, an increase of £138k, reflecting small changes in per capita income for students. Residential income was also up by £91k. Expenditure on charitable activities was £6,227k, an increase of £91k. Total staff costs were £4,504k or £184k higher than the previous year. The deficit on charitable activities reduced by £138k to £851k.

Income from non charitable trading activities was £2,374k, an increase of £198k on the previous year. Bookings for English language (EFL) programmes were again at high levels as a number of new customers were secured and some existing customers returned in higher numbers. Expenditure was also higher due to activity related costs, particularly temporary staff, and increased costs of fund raising. The College's trading subsidiary, Hertford College Programmes recorded a pre-tax profit of £725k, up £131k on the previous year, which was donated to the College under gift aid.

Legacies and donations were £836k which is £253k higher than the previous year. Donations included £265k to endow the Ellis-Barnard History Fellowship, £106k to endow the Van Noorden Economics Fellowship and £33k for the Undergraduate Bursary Scheme. The cost of raising funds was £491k, £78k higher than the previous year due to the higher number of fund raising and alumni events, travel and other activities – in particular the successful Bridge Millenium celebrations, which included a fund-raising bicycle ride from the College's Bridge of Sighs in Oxford to its original in Venice.

Cash rose by £883k (2012/13: a reduction of £40k) to £3,282k. There was an operational cash outflow of £124k (against an outflow in 2012/13 of £630k). There was no capital investment (2012/13: nil).

Reserves policy

The College's reserves policy is to maintain a minimum of three months free reserves to enable it to meet its short-term financial obligations in the event of an unexpected revenue shortfall, to allow the College to be managed efficiently and to provide a buffer that would ensure uninterrupted services.

The College's free reserves at the year-end amounted to £6,691k (2013: £4,772k), representing retained unrestricted income reserves excluding an amount of £8,714k for the book value of fixed assets. This represents over nine months' free reserves and reflects the expectation of higher expenditure commitments in the coming years.

Designated reserves at the year-end comprised: £663k for a rolling programme of expenditure on projects to improve the College's infrastructure, including those designed to reduce carbon emissions and increase energy efficiency; £462k for the Undergraduate Bursary Fund which guarantees a minimum of five year's funding for the scheme including donations received to date; £74k for graduate scholarships; £350k to defray the anticipated costs over five years of a titular History fellowship; and £69k towards the new Janeway Fund to support philosophy and computing.

Investment policy, objectives and performance

The College's Statement of Investment Principles is published on its web site and are summarised below. The College aims to manage its investments to:

- Generate income to support the College's charitable educational aims.
- Improve the educational experience of current and future generations of students and to pursue excellence in scholarship by means of teaching and research and the provision of the cultural and social context which supports this.
- Produce the optimal sustainable return given the college's low risk tolerance and to preserve the value of investments against the threat of inflation over the long term.

Hertford College
Report of the Governing Body
Year ended 31 July 2014

The investment strategy and performance is monitored by the Investment Advisory Board which in turn reports to the College's Treasury Committee. At the year end, the value of the College's investments was £57.9m, of which £50.5m represents endowed funds, an increase of £1.9m on the previous year including £1.7m of reinvested income and £1.7m (3%) increase in capital value. The total investment return was c.2.7% over the year.

Investment income was £1,761k, an increase of £172k on the previous year.

STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES

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

Charity law requires the Governing Body to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

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

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

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

Approved by the Governing Body on ___th _____ 2014 and signed on its behalf by:

Mr W Hutton
Principal

Hertford College

Report of the Auditor to the Members of the Governing Body of Hertford College

We have audited the financial statements of Hertford College for the year ended 31 July 2014 which comprise the Statement of Accounting Policies, the Consolidated Statement of Financial Activities, the Consolidated and College Balance Sheets, the Consolidated Cash Flow Statement and the related notes numbered 1 to 28. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the College's Governing Body in accordance with section 153 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the Governing Body those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and its Governing Body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Governing Body and auditor

As explained more fully in the Statement of Accounting and Reporting Responsibilities, the Governing Body is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Governing Body; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charity's affairs as at 31 July 2013 and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Matters on which we are required to report by exception

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

- the information given in the Report of the Governing Body is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept by the parent charity; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Crowe Clark Whitehill LLP

Statutory Auditor
London

Date:

Crowe Clark Whitehill LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

1. Scope of the financial statements

The financial statements present the Consolidated Statement of Financial Activities (SOFA), the Consolidated and College Balance Sheets and the Consolidated Cash Flow Statement comprising the consolidation of the College and with its wholly owned subsidiary Hertford College Programmes. No separate SOFA has been presented for the College alone as permitted by paragraph 397 of the Charities SORP 2005. The results of the subsidiary as included the consolidated income, expenditure and results of the College are disclosed in note 12.

2. Basis of accounting

The financial statements have been prepared under the Charities Act 2011 and in accordance with the Statement of Recommended Practice on Accounting and Reporting by Charities issued in 2005 ("the Charities SORP") and applicable accounting standards. The financial statements are drawn up on the historical cost basis of accounting as modified by the revaluation of investment properties and other investments.

3. Incoming resources from fee income, HEFCE support and other charges for services

Fees receivable, HEFCE support and charges for services and use of the premises are accounted for in the period in which the related service is provided.

4. Incoming resources from donations and legacies

Voluntary income is accounted for when the College has entitlement to the funds, the amount can be reliably quantified and there is reasonable certainty of its ultimate receipt.

Voluntary income received for the general purpose of the College is credited to unrestricted funds.

Voluntary income which is subject to specific wishes of the donor is 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 otherwise than in cash, they are valued at the market value of the underlying assets received at the date of receipt.

5. Investment income

Interest on bank balances and fixed interest securities is accounted for in the period to which the interest relates.

Dividend income and similar distributions are accounted for in the period in which they become receivable.

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

6. Expenditure

Expenditure is accounted for on an accruals basis. Indirect expenditure is apportioned to expenditure categories 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.

Grants awarded are expensed as soon as they become legal or operational commitments.

Governance costs comprise the costs of complying with constitutional and statutory requirements.

Intra-group sales and charges between the College and its subsidiaries are excluded from trading income and expenditure.

7. Leases

Rentals payable under operating leases are charged in the SOFA on a straight line basis over the relevant lease terms.

The cost of the assets held under finance leases is included within fixed assets and depreciation is charged in accordance with the accounting policy for each class of asset concerned. The corresponding capital obligations under these leases are shown as liabilities. The finance charge element of rentals is charged to the Statement of Financial Activities and classified within finance costs as incurred.

8. Tangible fixed assets

Tangible fixed assets are stated at cost and are depreciated on a straight line basis over the following periods:

Hertford College
Statement of Accounting Policies
Year ended 31 July 2013

Freehold properties	30 years
Equipment	5 years

Freehold land is not depreciated. The cost of freehold land associated with the main historic site is not included in the balance sheet but is not material. The cost of maintenance is charged in the Statement of Financial Activities in the period in which it is incurred.

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

The College operates a “de minimis” limit of £25,000 for the capitalisation of expenditure on fixed assets.

9. Investments

Listed investments held as fixed asset investments are valued at their mid-market values as at the balance sheet date. Gains and losses arising on the investments are credited or charged to the Statement of Financial Activities and are allocated to the appropriate Fund according to the “ownership” of the underlying assets.

10. 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.

11. Foreign currencies

Transactions denominated in foreign currencies during the year are translated at prevailing rates of exchange at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates applying at the Balance Sheet date or, where there are related forward foreign exchange contracts, at the contract rates. The resulting exchange differences are taken to the Statement of Financial Activities.

12. Fund accounting

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

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

Restricted funds comprise gifts, legacies and grants where the donors have earmarked funds for specific purposes. They consist of *either* gifts where the donor has specified that both the capital and any income arising must be used for the purposes given *or* the income on gifts where the donor has required that the capital be maintained and the income used for specific purposes.

Permanent endowment funds arise where donors specify that the funds should be retained as capital for the permanent benefit of the College. Any income arising from the capital will be accounted for as unrestricted funds unless the donor has placed restricted 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.

13. Pension costs

The costs of retirement benefits provided to employees of the College through two multi-employer defined pension schemes are accounted for as if these were defined contribution schemes in accordance with the requirements of FRS 17. The College’s contributions to these schemes are charged in the period in which the salaries to which the contributions relate are payable.

Hertford College
Consolidated Statement of Financial Activities
For the year ended 31 July 2014

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2014 Total £'000	2013 Total £'000
INCOMING RESOURCES						
Resources from charitable activities						
	1					
Teaching, research and residential		5,376	0	0	5,376	5,147
Public worship		0	0	0	0	0
Heritage		0	0	0	0	0
Teaching, research and residential		<u>5,376</u>	<u>0</u>	<u>0</u>	<u>5,376</u>	<u>5,147</u>
Resources from generated funds						
Legacies and donations		228	234	374	836	583
Trading income	2	2,374	0	0	2,374	2,176
Investment income	3	1,562	199	0	1,761	1,589
Bank and other interest	4	11	0	0	11	14
		<u>4,175</u>	<u>433</u>	<u>374</u>	<u>4,982</u>	<u>4,362</u>
Other incoming resources		14	0	0	14	14
Total Incoming Resources		<u>9,565</u>	<u>433</u>	<u>374</u>	<u>10,372</u>	<u>9,523</u>
RESOURCES EXPENDED						
Cost of generating funds						
	5					
Fundraising		491	0	0	491	413
Trading expenditure		1,639	0	0	1,639	1,575
Investment management costs		130	2	0	132	132
		<u>2,260</u>	<u>2</u>	<u>0</u>	<u>2,262</u>	<u>2,120</u>
Charitable activities						
	5					
Teaching, research and residential		5,951	276	0	6,227	6,136
Teaching, research and residential		<u>5,951</u>	<u>276</u>	<u>0</u>	<u>6,227</u>	<u>6,136</u>
Governance costs	8	76	0	0	75	71
Total Resources Expended		<u>8,287</u>	<u>278</u>	<u>0</u>	<u>8,564</u>	<u>8,327</u>
Net incoming/(outgoing) resources before transfers		1,278	155	374	1,808	1,196
Transfers between funds	17	0	(20)	20	0	0
Net incoming/(outgoing) resources before other gains and losses		<u>1,278</u>	<u>135</u>	<u>394</u>	<u>1,808</u>	<u>1,196</u>
Investment gains/(losses)		153	19	1,513	1,685	6,133
Net movement in funds for the year		<u>1,431</u>	<u>154</u>	<u>1,907</u>	<u>3,493</u>	<u>7,329</u>
Fund balances brought forward	17	15,523	624	48,637	64,784	57,454
Funds carried forward at 31 July	17	<u>16,954</u>	<u>778</u>	<u>50,544</u>	<u>68,277</u>	<u>64,783</u>

Hertford College
Consolidated and College Balance Sheets
As at 31 July 2014

	Notes	2014 Group £'000	2013 Group £'000	2014 College £'000	2013 College £'000
FIXED ASSETS					
Tangible assets	10	8,714	9,202	8,714	9,202
Property investments	11	0	0	0	0
Securities and other investments	11	57,896	54,852	57,896	54,852
		66,610	64,054	66,610	64,054
CURRENT ASSETS					
Stocks		29	30	29	30
Debtors	13	511	516	282	311
Deposits and other short term investments		0	0	0	0
Cash at bank and in hand		3,295	2,488	3,282	2,399
		3,835	3,034	3,593	2,740
CREDITORS: falling due within one year	14	2,163	2,271	1,921	1,977
NET CURRENT ASSETS/(LIABILITIES)		1,672	763	1,672	763
TOTAL ASSETS LESS CURRENT LIABILITIES		68,282	64,817	68,282	64,817
CREDITORS: falling due after more than one year	15	6	33	6	33
NET ASSETS		68,276	64,784	68,276	64,784
FUNDS OF THE COLLEGE					
	17				
Endowment funds		50,544	48,637	50,544	48,637
Restricted funds		778	624	778	624
Unrestricted funds					
Designated funds		10,263	10,751	10,263	10,751
General funds		6,691	4,772	6,691	4,772
		68,276	64,784	68,276	64,784

The financial statements were approved and authorised for issue by the Governing Body of Hertford College on: 12th November 2014.

Trustee:

Trustee:

Hertford College
Consolidated Cash Flow Statement
For the year ended 31 July 2014

	Notes	2014 Group £'000	2013 Group £'000
Net cash inflow/(outflow) from operations	22	<u>(123)</u>	<u>(630)</u>
Returns on investments and servicing of finance			
Income from investments		1,772	1,598
Finance costs paid		0	0
		<u>1,772</u>	<u>1,598</u>
Capital expenditure and financial investment			
New endowment capital received		374	393
Payments for tangible fixed assets		0	0
Proceeds from sales of tangible fixed assets		144	0
Payments for investments		(1,368)	(3,109)
Proceeds from sales of investments		9	1,708
		<u>(841)</u>	<u>(1,008)</u>
Management of liquid resources			
Net (additions to) / withdrawals from term deposits		0	0
Net (purchase) / sale of current asset investments		0	0
		<u>0</u>	<u>0</u>
Financing			
New bank loans		0	0
Bank loans repaid		0	0
New lease finance		0	0
Capital element of finance lease payments		0	0
		<u>0</u>	<u>0</u>
Increase/(decrease) in cash in the year		<u>808</u>	<u>(40)</u>
Reconciliation of net cash flow to movement in net funds			
Increase/(decrease) in cash in the year		808	(40)
Transfers to/(from) term deposits and current investments		0	0
(Increase)/decrease in loan and lease finance		0	0
Change in net funds		<u>808</u>	<u>(40)</u>
Net funds at 1 August		2,913	2,953
Net funds at 31 July		<u>3,721</u>	<u>2,913</u>

Hertford College
Notes to the financial statements
For the year ended 31 July 2014

1 INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2014 Total £'000	2013 Total £'000
Teaching, research and residential					
Tuition fees - UK and EU students	1,549	0	0	1,549	1,496
Tuition fees - Overseas students	425	0	0	425	377
Other fees	407	0	0	407	361
Other HEFCE support	282	0	0	282	313
Other academic income	284	0	0	284	262
College residential income	2,429	0	0	2,429	2,338
	<u>5,376</u>	<u>0</u>	<u>0</u>	<u>5,376</u>	<u>5,147</u>

The above analysis includes £1,729k received from Oxford University under the CFF Scheme, net of College fees received directly (2013 - £1,676k)

2 TRADING INCOME

	2014 £'000	2013 £'000
Subsidiary company trading income	2,368	2,174
Other trading income	6	2
	<u>2,374</u>	<u>2,176</u>

3 INVESTMENT INCOME

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2014 Total £'000	2013 Total £'000
Commercial rent	16	0	0	16	16
Other property income	0	0	0	0	0
Equity dividends	1,133	146	0	1,279	1,028
Income from fixed interest stocks	413	53	0	466	544
Interest on fixed term deposits and cash	0	0	0	0	1
Other investment income	0	0	0	0	0
	<u>1,562</u>	<u>199</u>	<u>0</u>	<u>1,761</u>	<u>1,589</u>

4 BANK AND OTHER INTEREST INCOME

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2014 Total £'000	2013 Total £'000
Bank interest	11	0	0	11	12
Other interest	0	0	0	0	2
	<u>11</u>	<u>0</u>	<u>0</u>	<u>11</u>	<u>14</u>

Hertford College
Notes to the financial statements
For the year ended 31 July 2014

5 ANALYSIS OF RESOURCES EXPENDED

	Direct staff costs £'000	Other direct costs £'000	Support costs £'000	2014 Total £'000	2013 Total £'000
Costs of generating funds					
Fundraising	220	259	12	491	413
Trading expenditure	306	437	896	1,639	1,575
Investment management costs	2	0	130	132	132
Total costs of generating funds	528	696	1,038	2,263	2,120
Charitable expenditure					
Teaching, research and residential	3,013	2,116	1,098	6,227	6,136
Total charitable expenditure	3,013	2,116	1,098	6,227	6,136
Governance costs	1	68	7	75	71
Total resources expended	3,542	2,880	2,143	8,565	8,327

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. Contribution is calculated annually in accordance with regulations made by the Council.

Teaching, research and residential costs include College Contribution payable of £41k (2013 - £118k).

6 SUPPORT COSTS

	Generating Funds £'000	Teaching and Research £'000	2014 Total £'000	2013 Total £'000
Financial and domestic admin	893	599	1,492	1,458
IT	40	260	300	289
Depreciation	105	361	466	466
Loss/(profit) on fixed assets	0	(122)	(122)	0
Bank interest payable	0	0	0	0
Other finance charges	0	0	0	0
	1,038	1,098	2,136	2,213

Finance and administration and IT costs are attributed according to the estimated staff time spent on each activity. Depreciation costs are attributed according to the use made of the underlying assets.

7 GRANTS AND AWARDS

	Unrestricted Funds £'000	Restricted Funds £'000	2014 Total £'000	2013 Total £'000
During the year the College funded research awards and bursaries to students from its restricted and unrestricted fund as follows:				
Scholarships, prizes and grants	60	99	159	112
Bursaries and hardship awards	134	118	252	244
Grants to other institutions	0	0	0	0
	194	217	411	356

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

Hertford College
Notes to the financial statements
For the year ended 31 July 2014

8 GOVERNANCE COSTS

	2014	2013
	£'000	£'000
Governance costs comprise:		
Auditor's remuneration - audit services	25	22
Auditor's remuneration - other services	4	4
Legal and other fees on constitutional matters	39	38
Other governance costs	7	7
	75	71

No amount has been included in Governance Costs for the direct employment costs or reimbursed expenses of the College Fellows except in relation to the costs of compliance with the Charity Commission. Details of the remuneration of the Fellows and their reimbursed expenses are included as a separate note within these financial statements.

9 STAFF COSTS

	2014	2013
	£'000	£'000
The aggregate payroll costs for the year were as follows.		
Salaries and wages	3,739	3,620
Social security costs	244	234
Pension costs	521	466
	4,504	4,320

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

	2014	2013
Tuition and research	8	9
College residential	56	54
Fundraising	3	2
Support	26	21
Total	93	86

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

	2014	2013
University Lecturers	20	20
CUF Lecturers	7	7
Other teaching and research	5	4
Other	3	3
Total	35	34

The College also benefits from temporary staff, agency workers and those part-time external tutors who are not on the College payroll.

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.

There were no employees (excluding the College Trustees) during the year whose gross pay and benefits (excluding employer NI and pension contributions) were in excess of £60,000.

Hertford College
Notes to the financial statements
For the year ended 31 July 2014

10 TANGIBLE FIXED ASSETS

Group	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	0	17,867	0	0	17,867
Additions	0	0	0	0	0
Disposals	0	(84)	0	0	(84)
At end of year	0	17,783	0	0	17,783
Depreciation					
At start of year	0	8,665	0	0	8,665
Charge for the year	0	466	0	0	466
On disposals	0	(62)	0	0	(62)
At end of year	0	9,069	0	0	9,069
Net book value					
At end of year	0	8,714	0	0	8,714
At start of year	0	9,202	0	0	9,202
College					
Cost					
At start of year	0	17,867	0	0	17,867
Additions	0	0	0	0	0
Disposals	0	(84)	0	0	(84)
At end of year	0	17,783	0	0	17,783
Depreciation					
At start of year	0	8,665	0	0	8,665
Charge for the year	0	466	0	0	466
On disposals	0	(62)	0	0	(62)
At end of year	0	9,069	0	0	9,069
Net book value					
At end of year	0	8,714	0	0	8,714
At start of year	0	9,202	0	0	9,202

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.

Hertford College
Notes to the financial statements
For the year ended 31 July 2014

11 SECURITIES AND OTHER INVESTMENTS

	2014	2013
	£'000	£'000
Group investments		
Valuation at start of year	54,852	47,318
New money invested	0	0
Amounts withdrawn	(251)	(51)
Reinvested income	1,746	1,573
Investment management fees	(136)	(121)
(Decrease)/increase in value of investments	1,685	6,133
Group investments at end of year	57,896	54,852
Investment in subsidiaries	0	0
College investments at end of year	57,896	54,852

Group investments comprise:	Held outside	Held in	2014	2013
	the UK	the UK	Total	Total
	£'000	£'000	£'000	£'000
Equity investments		550	550	4,156
Global multi-asset funds		36,085	36,085	33,849
Property funds		5,328	5,328	1,512
Fixed interest stocks		15,157	15,157	15,033
Alternative and other investments			0	0
Fixed term deposits and cash		776	776	302
Total group investments	0	57,896	57,896	54,852

12 SUBSIDIARY UNDERTAKINGS

Hertford College Programmes, a company limited by guarantee, is a wholly owned subsidiary of the college. It commenced trading on 1st August 2010 and provides English Language programmes and other event services on the College premises.

The results of the subsidiary and its assets and liabilities at the year end were as follows.

	Hertford College Programmes £'000
Turnover	2,368
Expenditure	(1,641)
Donation to College under gift aid	(727)
Result for the year	0
Total assets	1,102
Total liabilities	(1,102)
Net funds at the end of year	0

Hertford College
Notes to the financial statements
For the year ended 31 July 2014

13 DEBTORS

	2014	2013	2014	2013
	Group	Group	College	College
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade debtors	298	362	69	157
Amounts owed by College members	44	0	44	0
Amounts owed by Group undertakings	0	0	0	0
Loans repayable within one year	15	34	15	34
Prepayments and accrued income	154	120	154	120
Other Debtors	0	0	0	0
Amounts falling due after more than one year:				
Loans	0	0	0	0
	511	516	282	311

14 CREDITORS: falling due within one year

	2014	2013	2014	2013
	Group	Group	College	College
	£'000	£'000	£'000	£'000
Bank overdrafts	0	0	0	0
Bank loans	0	0	0	0
Obligations under finance leases	0	0	0	0
Trade creditors	382	267	382	267
Amounts owed to College Members	60	61	60	61
Amounts owed to Group undertakings	0	0	860	763
Taxation and social security	105	115	105	115
College contribution	41	120	41	120
Accruals and deferred income	146	298	144	296
Other creditors	1,429	1,410	329	355
	2,163	2,271	1,921	1,977

15 CREDITORS: falling due after more than one year

	2014	2013	2014	2013
	Group	Group	College	College
	£'000	£'000	£'000	£'000
Bank loans	0	0	0	0
Obligations under finance leases	0	0	0	0
Other creditors	6	33	6	33
	6	33	6	33

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted	Restricted	Endowment	Total
	Funds	Funds	Funds	£'000
	£'000	£'000	£'000	
Tangible fixed assets	8,714	0	0	8,714
Property investments	0	0	0	0
Securities and other investments	8,635	623	48,638	57,896
Net current assets less creditors due after more than one year	1,666	0	0	1,666
	19,015	623	48,638	68,276

Hertford College
Notes to the financial statements
For the year ended 31 July 2014

17 FUNDS OF THE COLLEGE MOVEMENTS

	At 1 August 2013 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2014 £'000
Endowment Funds - Permanent						
College Endowment Fund	37,212				1,158	38,370
Carreras Endowment	1,290				40	1,330
Carreras General	2,927			20	91	3,038
Baring Trust Fund	1,643				51	1,694
Drapers	895				28	923
Mortimer May	741				23	764
E. M. Vaughan-Williams Trust	457				14	471
Five Fellowship	442				14	456
Michael Baring Travel Fund	69				2	71
Roger Van Noorden Economics Fund	219	106			7	332
Ellis-Barnard History Fellowship	880	265			27	1,172
Other Scholarship Funds	803	3			25	831
Other Funds	152				5	157
Endowment Funds - Expendable						
Carreras Fellowship	448				14	462
Starun Fund	171				5	176
Japan Appeal	5					5
Armstrong-Macintyre-Markham	263				8	271
BCL Fund	20				1	21
Total Endowment Funds	48,637	374	0	20	1,513	50,544
Restricted Funds						
Undergraduate Bursaries	152	33	(142)		4	47
<i>Unspent income funds</i>						
Carreras Endowment		42	(2)	(40)		0
Carreras Fellowship	36	16	(9)	20	1	64
Drapers	21	30	(6)		1	46
Mortimer May	133	29	(5)		4	161
E. M. Vaughan-Williams Trust	73	17	(17)		2	75
Japan Appeal						0
Janeway Restricted Fund	95	3	(32)		3	69
Unspent income of other Funds above	53	62	(19)		2	98
Other Funds	61	197	(42)		2	218
Other funds expensed in year	0	4	(4)			0
Total Restricted Funds	624	433	(278)	(20)	19	778
Unrestricted Funds						
General	4,772	9,565	(8,287)	488	153	6,691
Fixed asset designated	9,202			(488)		8,714
Infrastructure Modernisation	663					663
Graduate Scholarship	74					74
Undergraduate Bursaries	462					462
History Teaching Fund	350					350
Total Unrestricted Funds	15,523	9,565	(8,287)	0	153	16,954
Total Funds	64,784	10,372	(8,565)	0	1,685	68,276

Transfers between funds :-

Carreras Endowment/Carreras General

50% of the income (net of investment expenses) of the Carreras Endowment Fund is transferred to the Carreras General Fund whose income is used for the general purposes of the College.

Undergraduate Bursaries/General Fund

Governing Body has designated a further £100k so that together with the restricted Bursary Fund, there are reserves equivalent to the anticipated costs of the next five years of the Bursary scheme which the College started in October 2011.

Hertford College
Notes to the financial statements
For the year ended 31 July 2014

18 FUNDS OF THE COLLEGE DETAILS

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

Endowment Funds - Permanent:

College Endowment Fund	Funds received from the University, in the 1960s, to establish a permanent endowment plus subsequent legacies and donations for endowment purposes.
Carreras Endowment	A gift from Carreras International whose income is split between the Carreras General and Fellowship Funds
Carreras General	Income from Carreras Endowment Fund is reinvested and the income generated is used the general purposes of the College
Baring Trust Fund	Dates back to the re-foundation of the College in the 19th century. Income used for scholarships / general purposes.
Drapers	A gift from The Drapers' Company for Scholarships and in support of a Fellow.
Mortimer May	A gift from Bruce and Julia May in memory of their son Mortimer to support a student in "Geography or a related subject".
E. M. Vaughan-Williams Trust	A gift from Miles Vaughan-Williams to support Medical Students.
Five Fellowship	A gift in 1874 of which £1500 p.a. is to support Fellowships and the balance for general purposes.
Michael Baring Travel Fund	Gifts since 2001 in memory of Michael Baring to assist History Students with their research expenses.
Roger Van Noorden Economics Fund	Gifts since 2007 for the Economics Fund, which was renamed in 2010 in memory of Roger Van Noorden, in support of a Fellow in Economics.
Ellis-Barnard History Fellowship	Established in 2011 to fund the teaching of History.
Other Scholarship Funds	Comprise the Lucy,Lusby,McBride,Meeke, Scholarship Augumentation and War Memorial Funds which represent gifts, received between 1665 and 1919, to support scholars wirh surplus for general purposes.
Other Funds	Comprise the Boyd Memorial,White,Brunsell and Old Hertford College Funds which are for Student Loans/Chapel/Library and general purposes.

Endowment Funds - Expendable:

Carreras Fellowship	Income from Carreras Endowment Fund to support Fellowship and Scholars.
Starun Fund	Gifts from Mr L. Starun 1974-78 for research into Polish History, Language or Literature
Japan Appeal	Gifts in 1991/2 from Tokyo Electric Power and the Kajima Fund to support a Fellowship in Japanese and academic visits to/from Japan.
Armstrong-Macintyre-Markham History Fellowship	Gifts in the 1990s in memory of Angus Macintyre, Felix Markham and John Armstrong to support teaching and research by a History Fellow
BCL Fund	Gifts since 2007, some in memory of Roy Stuart to support Law students particularly those on the B.C.L. course.

Restricted Funds

Bursaries Fund	Gifts since 2009 to support the Undegraduate Bursary Scheme which commenced in October 2011
Unspent income	Unspent income from the following funds named above:- Mortimer May,Drapers, Carreras Fellowship,E.M. Vaughan-Williams,Starun,Baring Travel, and the BCL funds.
Other Funds	Comprise the Tanner/Thorne,G. Robinson,John Stubley,Geography Prize,Music and student hardship Funds.
Janeway Restricted Fund	This Fund was established by donation this year to support the teaching of

Hertford College
Notes to the financial statements
For the year ended 31 July 2014

Designated Funds	Philosophy and Computing.
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
Infrastructure Modernisation	Unrestricted Funds allocated by the Fellows for future costs of the programme to improve the infrastructure of the college, including the reduction of the carbon footprint of the college by investing in energy efficient plant.
Graduate Scholarship	Unrestricted Funds allocated by the Fellows for future costs of providing enhanced scholarships.
History Teaching	Unrestricted Funds allocated by the Fellows for future costs of funding a titular post.
Bursaries Fund	Unrestricted Funds allocated by the Fellows for future costs of the Undergraduate Bursary Scheme which commenced in October 2011.
General Unrestricted Funds	Represent accumulated income from the College's activities and other sources that are available for the general purposes of the College.

19 TRUSTEES' REMUNERATION

Trustee remuneration

The trustees of the college comprise the governing body, primarily fellows who are teaching and research employees of the college and who sit on governing body by virtue of their employment.

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

The college has a Remuneration Committee which consists of four persons who are not in receipt of remuneration from the college of whom three are not members of Governing Body. The Committee makes recommendations to Governing Body on Fellows allowances and College Officer stipends.

Trustees of the college fall into the following categories:

Principal and Official Fellows, Professorial Fellows, Supernumerary Fellows, Senior Research Fellows and Junior Research Fellows.

The Principal and Official Fellows are the Head of House, Bursar and Development Director who work full time on management and fundraising.

Some trustees are eligible for college housing schemes. 30 trustees receive a housing allowance which is disclosed within the salary figures below. 2 trustees live in houses owned jointly with the college. No such houses were bought or sold during the year.

Some trustees receive allowances for additional work carried out as part time college officers.

For example, the Senior Tutor, Dean, Tutor for Admissions, Tutor for Graduates and the Investment Bursar.

These amounts are included within the remuneration figures below.

The total remuneration and taxable benefits as shown below is £1,029,960 (2012-13 £961,616).

The total of pension contributions is £162,843 (2012-13 £149,565).

Hertford College
Notes to the financial statements
For the year ended 31 July 2014

Remuneration paid to trustees

Range	2013-2014		2012-2013	
	Number of trustees	Gross remuneration, taxable benefits and pension contributions £	Number of trustees	Gross remuneration, taxable benefits and pension contributions £
£4,001-£5,000	1	4,714		
£6,001-£7,000			1	6,709
£7,001-£8,000			1	7,733
£8,001-£9,000			2	17,170
£9,001-£10,000	1	9,396		
£14,001-£15,000	1	14,552	1	14,999
£17,001-£18,000			3	52,553
£18,001-£19,000	1	18,692	12	224,675
£19,001-£20,000	4	77,729	1	19,444
£20,001-£21,000	11	223,979		
£21,001-£22,000	2	43,136		
£22,001-£23,000			1	22,547
£23,001-£24,000	1	23,810		
£25,001-£26,000			2	51,173
£27,001-£28,000	2	54,912		
£30,001-£31,000	1	30,589	1	30,722
£31,001-£32,000			1	31,734
£32,001-£33,000			1	32,813
£35,001-£36,000	1	35,645		
£44,001-£45,000			1	44,199
£45,001-£46,000			1	45,346
£47,001-£48,000	1	47,178	1	47,267
£48,001-£49,000			2	97,354
£49,001-£50,000			1	49,307
£50,001-£51,000	3	151,380	1	50,007
£51,001-£52,000	2	103,031		
£52,001-£53,000			1	52,061
£54,001-£55,000	1	54,721	1	54,010
£57,001-£58,000			1	57,898
£61,001-£62,000	1	61,638		
£64,001-£65,000	1	64,286		
£78,001-£79,000	1	78,750		
£94,001-£95,000	1	94,665		
£101,000-£102,000			1	101,760
	37	1,192,803	38	1,111,481

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

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

Trustee expenses

No Fellow claimed any expenses for work as a Trustee (2012-13 £0).

Other transactions with trustees

There were no other transactions with the trustees

20 PENSION SCHEMES

The College participates in the Universities Superannuation Scheme ("the USS") and the University of Oxford Staff Pension Scheme ("the OSPS") on behalf its staff. Both schemes are contributory defined benefit schemes. The assets of USS and OSPS 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 of each scheme on a consistent and reasonable basis. Therefore, as required by the accounting standard FRS17 "Retirement Benefits", the College accounts for the schemes as if they were defined contribution schemes. As a result, the amount charged to the Statement of Financial Activities represents the contributions payable to the schemes in

respect of the accounting period.

Universities Superannuation Scheme

The latest actuarial valuation of the USS was carried out as at 31 March 2011 to meet the requirements of the Pensions Act 2004, and was published in June 2012. This valuation showed the scheme assets as being sufficient to cover 92% of its liabilities on its technical provisions basis with an overall shortfall of £2,910.2m. By March 2012 the funding position had deteriorated to 77% due to a 24% increase in the liabilities, which had not been matched by a 4.4% increase in the assets.

In May 2011 a number of changes to the benefits provided by the scheme were agreed and came into force on 1 October 2011. These included a change in benefits for new entrants after this date to be provided on a Career Revalued Benefits ("CRB") basis rather than a Final Salary ("FS") basis, an increase in the Normal Retirement Age for future service and new entrants to age 65 and increases to the member contribution rates to 7.5% for FS members and to 6.5% for CRB members.

The actuary established a long term employer contribution rate, after allowing for the scheme changes, of 12.6% of total pensionable salaries for the year to 31 March 2012 with this rate reducing over time. The Trustee has also determined a recovery plan to pay off the shortfall by 31 March 2021 and the USS has agreed with Universities UK, on behalf of all the employers participating in the scheme, to address the deficit by continuing the employer contribution rate at the previously agreed rate of 16% of total pensionable salaries until 31st March 2017, following which the employers will pay an additional 2% of salaries in excess of the blended employer element of the future service cost of accruals.

The pension charge for the year includes contributions payable to the USS of £225k (2013 - £215k). 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.

Oxford Staff Pension Scheme

The latest formal actuarial valuation of OSPS was carried out as at 31 March 2010 to meet the requirements of the Pensions Act 2004, and was published in June 2011. This valuation showed the scheme assets as being sufficient to cover 79% of its liabilities on its technical provisions basis with an overall shortfall of £82.4m. The actuary has subsequently carried out an annual actuarial report designed to provide an approximate update of the valuation position as at 31st March 2012. This report indicated that the shortfall had increased to around £115.4 million, equivalent to a funding ratio of approximately 70%.

The actuarial valuation identified a required long-term employer contribution rate (i.e. the rate of contribution that would normally be appropriate if the scheme had no surplus or shortfall) of 18.2% of total pensionable salaries with employee contributions continuing at 6.35%.

The Trustees and the University have agreed that the shortfall will be removed through a combination of additional contributions and expected investment returns (over and above the discount rate) and the employers will therefore continue to contribute at a rate of 21.5% of Pensionable Salaries. These contributions are expected to eliminate the shortfall by 30 June 2026. In addition, the University has agreed to close the scheme to future final salary accrual and has transferred all active members onto a Career Revalued Benefits structure with effect from 1st January 2013.

The pension charge for the year includes contributions payable to the OSPS of £241k (2012 - £219k). A copy of the full actuarial valuation report and other further details on the scheme is available on the University of Oxford website <http://www.admin.ox.ac.uk/finance/pensions/osps/>.

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. No liability to corporation tax arises in the College's subsidiary company because the directors of this company have indicated that they intend to make donations each year to the College equal to the taxable profits of the company under the Gift Aid scheme. Accordingly no provision for taxation has been included in the financial statements.

Hertford College
Notes to the financial statements
For the year ended 31 July 2014

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

	2014	2013
	£'000	£'000
Net incoming resources for the year	1,808	1,197
Elimination of non-operating cash flows:		
- Investment income	(1,772)	(1,603)
- Endowment donations	(374)	(393)
- Financing costs	0	0
Depreciation	466	466
(Surplus)/loss on sale of fixed assets	(122)	0
Decrease/(Increase) in stock	1	(8)
Decrease/(Increase) in debtors	5	(255)
(Decrease)/Increase in creditors	(135)	(34)
(Decrease)/Increase in provisions	0	0
Net cash inflow/(outflow) from operations	(123)	(630)

23 ANALYSIS OF CHANGES IN NET FUNDS

	2013	Cash flow	2014
	£'000	£'000	£'000
Cash at bank and in hand	2,488	807	3,295
Bank overdrafts	0	0	0
	<u>2,488</u>	<u>807</u>	<u>3,295</u>
Deposits and other short term investments	0	0	0
Bank loans due within one year	0	0	0
Bank loans due after one year	0	0	0
Finance lease obligations due within one year	0	0	0
Finance lease obligations due after one year	0	0	0
	<u>2,488</u>	<u>807</u>	<u>3,295</u>

24 FINANCIAL COMMITMENTS

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

	2014	2013
	£'000	£'000
Land and buildings		
- expiring within one year	0	0
- expiring between two and five years	48	48
- expiring in over five years	0	0
	<u>48</u>	<u>48</u>
Other		
- expiring within one year	0	0
- expiring between two and five years	6	6
- expiring in over five years	0	0
	<u>6</u>	<u>6</u>

Hertford College
Notes to the financial statements
For the year ended 31 July 2014

25 CAPITAL COMMITMENTS

The College had no contracted commitments at 31 July for future capital projects (2013 - £nil).

26 RELATED PARTY TRANSACTIONS

The College is part of the collegiate University of Oxford. Material interdependencies between the University and of the College arise as a consequence of this relationship. For reporting purposes, the University and the other Colleges are not treated as related parties as defined in FRS8 ("Related party disclosures").

Members of the Governing Body, who are the trustees of the College and related parties as defined by FRS 8, receive remuneration and facilities as employees of the College. Details of these payments and reimbursed expenses as trustees are disclosed separately in these financial statements.

No trustees had loans outstanding from the College at the start and/or end of the year.

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

	2014	2013
	£'000	£'000
B Frellesvig	30	32
T Suzuki (the relevant property was disposed of during this financial year)		23
	<hr/>	<hr/>

All joint equity properties are subject to sale on the departure of the trustee from the College. The trustees pay rent to the College on the College owned share of the properties at the assessed current market rate.

27 CONTINGENT LIABILITIES

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

28 POST BALANCE SHEET EVENTS

There were no events occurring after the date of the balance sheet which would have a material effect on these financial statements.