



# Mansfield College

**Annual Report and Financial Statements**

**Year ended 31 July 2019**

Registered charity 1143860

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**Mansfield College**  
**Governing Body, Officers and Advisers**  
**Year Ended 31 July 2019**

**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.

				<i>Committees</i>	
<i>Changes in year</i>				<i>F&amp;GPD</i>	<i>APC</i>
Professor	Sinan	Acikgoz			•
Professor	Ros	Ballaster			•
Professor	Jocelyn	Bell Burnell			
Professor	Vanessa	Berenguer-Rico			•
Professor	Steve	Biller			•
Professor	Stephen	Blundell			•
Professor	Jon	Chapman			
Dr	Carmen	Constantin	Appointed 16 January 2019		•
Mr	Allan	Dodd	Resigned 20 June 2019		
Professor	Pavlos	Eleftheriadis			•
Professor	Marina	Galano			•
Professor	Kathryn	Gleadle			•
Mr	Derek	Goldrei	Resigned 30 September 2018		
Dr	Andy	Gosler			•
Professor	Vicente	Grau Colomer			•
Professor	Ian	Griffiths	Appointed 16 October 2019		•
Professor	Andrew	Higgins			•
Professor	Peter	Keevash			•
Baroness	Helena	Kennedy	Resigned 31 August 2018		
Dr	Helen	Lacey			•
Professor	David	Leopold			•
Professor	Paul	Lodge		•	•
Professor	Helen	Margetts			
Professor	James	Marrow			
Professor	Chris	Martin			
Professor	Derek	McCormack		•	•
Ms	Tess	McCormick	Appointed 16 October 2019	•	
Professor	Michele	Mendelssohn		•	•
Dr	Annellen	Micus			
Dr	Katherine	Morris		•	•
Ms	Helen	Mountfield, QC	Appointed 10 October 2018	•	•
Dr	Amber	Murrey-Ndewa	Appointed 10 October 2018		•
Professor	Catherine	O'Regan			
Professor	Colin	Please			•
Professor	Joel	Rasmussen		•	•
Ms	Lucinda	Rumsey		•	•
Professor	Alison	Salvesen			•
Mr	Richard	Scanlon	Appointed 16 October 2019	•	•

**Mansfield College**  
**Governing Body, Officers and Advisers**  
**Year Ended 31 July 2019**

			<i>Changes in year</i>	<i>Committees</i>	
				<i>F&amp;GPD</i>	<i>APC</i>
Professor	Dino	Sejdinovic			•
Professor	Jason	Smith			•
Professor	Jennifer	Strawbridge			•
Dr	Eileen	Tipoe			•

During the year certain activities of the Governing Body were delegated to two committees. The current membership of those committees is shown above for each trustee.

- (1) Finance, General Purposes and Development Committee (F&GPD)
- (2) Academic Policy Committee (APC)

In addition the College has a Remuneration Committee comprised entirely of external members and various ad hoc committees convened as required to address specific issues.

**COLLEGE SENIOR STAFF**

The senior staff of the College to whom day to day management was delegated during the year or subsequently are detailed below.

Baroness Helena Kennedy	Principal	Resigned 31 August 2018
Ms Helen Mountfield, QC	Principal	Appointed 1 September 2018
Mr Allan Dodd	Bursar	Resigned 20 June 2019
Mr Richard Scanlon	Bursar	Appointed 3 September 2019
Ms Lucinda Rumsey	Senior Tutor	
Dr Christopher Salamone	Dean	
Professor Steve Biller	Tutor for Graduates	Resigned 30 September 2018*
Professor Joel Rasmussen	Tutor for Graduates	Appointed 1 October 2018
Ms Lynne Quiggin	Domestic Bursar	
Ms Helen Jones	Development Director	Resigned 31 July 2018
Ms Tess McCormick	Development Director	Appointed 6 September 2019
Ms Dawn Oliver	College Accountant	Resigned 30 September 2018
Ms Samantha Cuss	College Accountant	Appointed 1 October 2018

\*Professor Biller resigned as Tutor for Graduates but is still a charity trustee.

**COLLEGE ADVISERS**

**Investment managers**

Oxford University Endowment Management, King Charles House, Park End St, Oxford OX1 1JD

**Auditor**

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

**Bankers**

HSBC UK Bank Plc, Hanborough House, Wallbrook Court, North Hinksey Lane, Oxford, OX2 0QS

**Solicitors**

Hewitsons LLP, Shakespeare House, 42 Newmarket Road, Cambridge, CB5 8EP

**College address and website**

Mansfield College, Mansfield Rd, Oxford OX1 3TF

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

**Mansfield College**  
**Report of the Governing Body**  
**Year Ended 31 July 2019**

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The Members of the Governing Body present their Annual Report for the year ended 31 July 2019 under the Charities Act 2011 together with the audited Financial Statements for the year.

**REFERENCE AND ADMINISTRATIVE INFORMATION**

The Principal And Fellows Of Mansfield College In The University Of Oxford, which is known as Mansfield College ("the College") is an eleemosynary chartered charitable corporation aggregate. It was founded in 1886 as a theological non-conformist training college and received its Royal Charter in 1995.

The College registered with the Charities Commission on 20 September 2011 (registered number 1143860).

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

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing documents**

The College is governed by its Charter and Statutes dated 11 April 1995.

**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 (the Chancellor of The University of Oxford). The Governing Body is self-appointing. New members are elected on the basis of Statutes I and IV which define the categories of Fellows. The Governing Body determines the 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 two main committees.

**Recruitment and training of Members of the Governing Body**

New Members of the Governing Body are recruited as a result of joint appointments with the University, College-only appointments and election of Professorial Fellows. They are inducted into the workings of the College, including Governing Body policy and procedures, as required by briefings from College senior officers.

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

Members of the Governing Body are primarily Fellows who are also teaching and research employees of the College and/or the University of Oxford and 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 of the College which is set based on the advice of the College's Remuneration Committee, members of which are not trustees nor employees of the College and they are not in receipt of remuneration from the College. Where applicable, remuneration is set in line with that awarded to the University's academic staff.

The remuneration of senior college staff is set in line with benchmarked salaries in other colleges of the University of Oxford.

**Organisational Management**

The Governing Body meets nine times a year unless additional exceptional meetings are required. Certain activities of the Governing Body are delegated to two Committees as follows:

- The Finance, General Purposes and Development Committee (F&GPD) reviews the College's financial performance on a regular basis and makes recommendations to Governing Body on the annual budget and financial policy. It also considers a range of other related matters including development activity and performance, audit, personnel and operational matters.
- The Academic Policy Committee (APC) considers the academic policies of the College and long term strategic academic developments and provisions, as well as a range of other academic policies and procedures in relation to student achievement and progress.

Other committees are convened as required to address specific issues.

The day-to-day running of the College is delegated to the senior officers of the College.

### **Group structure and relationships**

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.

The College has one wholly owned non-charitable subsidiary, Mansfield College Developments Limited (MCDL), which undertakes major capital projects on behalf of the College and donates its annual profits to the College.

## **OBJECTIVES AND ACTIVITIES**

### **Charitable Objects and Aims**

The College's Objects are to:

- Advance learning, education and research in the arts and the sciences;
- Provide facilities for men and women who shall be members of the University in which they may work for degrees, diplomas and certificates of the University and where men and women may engage in advanced and other study and the conduct and publication of research in Oxford;
- Promote the Christian religion and in particular the Christian traditions originating in the Continental Reformation and English Dissent; and to provide opportunities for the study of theology and training for the Christian Ministry, having regard especially to the ministries of the United Reformed Church in the United Kingdom and the Churches of the Congregational Federation.

The Governing Body has considered the Charity Commission's guidance on public benefit and, in keeping with its Objects, the College's aims for the public benefit are to attract students from diverse backgrounds. The College therefore devotes significant resources to outreach activities to encourage applicants from under-represented groups and non-traditional backgrounds, and contributes to general bursary and specific hardship funds in support of widening access.

The College's success in this respect is demonstrated by the proportion of its UK undergraduates who are educated in the maintained sector. In recent years this has typically been 90-95% with the most recent intake at over 95% - very considerably above the Oxford average and some margin above the level of the next highest college.

The College continues to be active in carrying out access work with schools and colleges in the maintained sector. The alumni of the College go on to work in many spheres, and to have a beneficial impact on the wider community. Its academics carry out original research which is also of public benefit.

The aims set for the College's subsidiary are to help finance the achievement of the College's aims as above.

### **Activities and Objectives of the College**

The College's activities are focused on furthering its Objects and aims for the public benefit. In the course of the year some 472 students from all parts of the UK and throughout the world benefitted from the educational opportunities provided by the College. The students included those studying for undergraduate degrees, masters level degrees and doctorates, together with other students on visiting student programmes.

The Fellows of the College made significant contributions to their academic disciplines and to the wider academic community with their excellent research, publications and teaching.

The College promoted its Christian object through the funding of a Chaplain and the provision of a regular Christian service, together with other services of a Christian nature such as the annual Christmas carol service. The Chaplain also supports the College's welfare provision.

During the year the College contributed £59k (2018: £61k) to the funding of bursaries under the Oxford Opportunity Bursary and Oxford Tuition Fee Reduction system. The College provides in-year support to students encountering financial difficulties from College-specific hardship funds and from donations from the College Contribution Fund. This amounted to £34k in 2018-19 (2018: £35k). The College also supported the recruitment of a Reach Scholar – an undergraduate from a low income country who would not be able to attend Oxford without significant financial support. The College, together with individual members of the senior, middle and junior common rooms, supported the Reach Scholar's tuition fees and living costs.

### **ACHIEVEMENTS AND PERFORMANCE**

Student numbers in 2018-19 comprised 245 undergraduates, 186 post-graduates and 41 visiting students (visiting students are mainly from colleges in the USA attending for one academic year). The College built on its reputation as an institution dedicated to widening access to higher education with its outreach work, and offered a higher proportion of places to maintained sector candidates than any other Oxford college.

Students performed well academically during the year, and overall academic results were strong in comparison with previous years and also in comparison with other Oxford colleges.

The campaign to raise funds for the Hands Building and Bonavero Institute of Human Rights was completed in 2018-19. At a total of £23m, this was the largest fundraising campaign ever undertaken by the College and has resulted in the new College-owned Hands Building (which houses 73 undergraduate students on the College's main site) and an endowed research institute, part of the wider University, funded entirely through philanthropy. Additionally, other gifts from alumni for other areas of the College's work this year totalled £958k. This included a new major gift from one donor of £250k (pledged for each of the next 5 years) in support of varied initiatives to promote access to the College and to benefit and support current students.

### **FINANCIAL REVIEW**

The College achieved net income in 2018-19 of £49k compared with £3,948k in 2017-18. The unusually high figure in 2017-18 was due to the College's very successful fund-raising efforts to support the building of the Hands Building (see above). In 2018-19 net income has returned to a more normal level. The net income figure of £49k includes donations and legacies of £957k, highlighting the importance of fundraising activities to the College.

The Hands Building continues to underpin growth in the College's residential income, which grew by 10% in the year to £2.6m and now represents more than 50% of the College's total charitable income. This



additional income allowed much-needed investment to be made in the College's day-to-day activities, with total expenditure also increasing by 10% to £7.8m (excluding pension deficit recovery plan adjustments).

Net assets at 31 July 2019 were £31.4m, unchanged from the previous year. Endowment funds of £15.3m represented approximately half of this total, and grew by 6% (£0.8m) during the year due to investment returns. Other net assets of £16.1m comprised restricted funds of £0.9m and unrestricted funds of £15.2m. Restricted funds grew by £0.3m during the year and unrestricted funds reduced by £1.0m. The main reason for the reduction in unrestricted funds was the £0.8m increase in the defined benefit pension scheme liability (from £0.5m to £1.3m).

The College's unrestricted funds of £15.2m at the balance sheet date include, inter alia, £21.7m held in the fixed asset designated fund and unrestricted net current liabilities (see note 17) of £4.1m. This includes a bank loan of £2.75m.

### **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, to allow the College to be managed efficiently and to provide a buffer that would ensure uninterrupted services. The College's free reserves at 31 July 2019 and 31 July 2018 were negative, mainly due to the unrestricted net current liabilities noted above. Free reserves are therefore below the target level and the trustees recognise that the position needs to be improved in the coming years to bring free reserves into line with the College's policy.

### **Risk Management**

The College has on-going processes which operated throughout the financial year for identifying, evaluating and managing the principal risks and uncertainties faced by the College and its subsidiary in undertaking its activities. When it is not able to address risk issues using internal resources, the College takes advice from experts external to the College with specialist knowledge. Policies and procedures within the College are reviewed by the relevant College Committee, chaired by the Principal or one of the Bursars. Financial risks are assessed by the Finance, General Purposes and Development Committee. In addition, the Bursar, Domestic Bursar and domestic staff heads meet regularly to review a range of operational and 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, which has ultimate responsibility for managing risk, considers the key risks faced by the College as needed. The principal risks and uncertainties currently faced by the College and its subsidiary, together with the mitigating actions in place, have been identified as:

- A significant loss of conference income. Conference income is managed at a senior level and reviewed on a monthly basis. Most of the income is recurring, which mitigates against any potential loss, and any actual loss (which is rare) is responded to by active marketing and the use of University Rooms business to fill any vacant rooms. The success of this strategy has been demonstrated on two occasions in recent years when major conference clients terminated their activities and the lost income was more than recovered by active marketing of other potential income streams.
- A significant loss of income from visiting students. The College has appointed a senior member of staff to take responsibility for our relationships with US universities and to ensure that, wherever possible, each of the universities involved has a clear agreement with the College to deliver an indicative number of students. This approach has ensured that the number of visiting students has remained near constant year on year.

- A reduction in student tuition fees arising from a change in Government policy (including a possible change of Government). By way of mitigation, the College continues to strengthen its other income sources, notably College residential income due to the new Hands Building.

#### **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 level of income to support expenditure; and
- Delivering these objectives within acceptable levels of risk.

To meet these objectives the College's investments as a whole 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 has been set by the Governing Body and performance is monitored regularly. At the year end, the College's long term investments totalled £15.3m representing an increase of 6% over the year.

#### **Fundraising**

Excluding fund-raising for the Hands Building, gifts from alumni for other areas of the College's work this year totalled £958k. This included a new major gift from one donor of £250k (pledged for each of the next 5 years) in support of varied initiatives to promote access to Mansfield and benefit and support current students.

The College is registered with the Fundraising Regulator and employs full and part-time professional staff in the Development Office to act on its behalf in this area and to ensure that it is compliant with the Code of Fundraising Practice. Training is given to Development Office staff to ensure that they are aware of the Code.

The College did not receive any complaints relating to its fundraising activities.

#### **FUTURE PLANS**

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

- To continue to provide significant public benefit by attracting undergraduate students from a wide range of backgrounds and under-represented groups, especially students from areas of social and economic disadvantage and from families and schools which have no history of accessing Oxford.
- To provide the highest possible quality of education to all students of the College.
- To increase the College's graduate student population in line with the ambitions of the University as a whole.
- To continue to integrate the Oxford Bonavero Institute of Human Rights into the daily life of the College.
- To manage prudently within the funds available and build the free reserves of the College so as to ensure the long term viability of the College.

Specific development plans have been agreed for the separate departments within the College to ensure that the College continues to enhance its ability to provide a first-class education.

#### **FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

G B Caird Memorial Trust is a registered charity (number 328327) with the charitable object of promoting biblical studies at Mansfield College. The College invests £264,000 on behalf of the G B Caird Memorial Trust, in order to maximise returns and reduce investment management costs.

#### **STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES**

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

Charity law requires the Governing Body to prepare Financial Statements for each financial year. Under that law the Governing Body has prepared the Financial Statements in accordance United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102: The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102).

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

- Select the most suitable accounting policies and then apply them consistently.
- Make judgments and accounting estimates that are reasonable and prudent.
- State whether applicable accounting standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements.
- State whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements.
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the College will continue to operate.

The Governing Body is responsible for keeping proper accounting records that are sufficient to show and explain the College's transactions and disclose with reasonable accuracy at any time the financial position of the College and enable it to ensure that the financial statements comply with the Charities Act 2011. It is 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 27 November 2019 and signed on its behalf by:

Principal/Trustee  
(Helen Mountfield QC)

Bursar/Trustee  
(Richard Scanlon)

## **Opinion**

We have audited the financial statements of Mansfield College (the "Charity") for the year ended 31 July 2019 which comprise the Statement of Accounting Policies, the Consolidated Statement of Financial Activities, the Consolidated and College Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and charity's affairs as at 31 July 2019 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

## **Basis for opinion**

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

## **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Members of the Governing Body's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Members of the Governing Body have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **Other information**

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

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

information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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

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

As explained more fully in the Statement of Accounting and Reporting Responsibilities set out on page 10, the Members of the Governing Body are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

This report is made solely to the College's Governing Body, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Members of the Governing Body those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College's Governing Body as a body, for our audit work, for this report, or for the opinions we have formed.

Critchleys Audit LLP  
Statutory Auditor  
Oxford

Date:

Critchleys Audit LLP is eligible to act as an auditor in terms of sections 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 Statement of Cash Flows for the College and its wholly owned subsidiary Mansfield College Developments Limited. The subsidiary has been consolidated from the date of its formation being the date from which the College has exercised control through voting rights in the subsidiary. No separate SOFA has been presented for the College alone as currently permitted by the Charity Commission on a concessionary basis for the filing of consolidated financial statements. A summary of the results and the assets and liabilities of the subsidiary for the reporting year are in note 11.

**2. Basis of accounting**

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

The College is a public benefit entity for the purposes of FRS 102 and a registered charity. The College has therefore also prepared its individual and consolidated financial statements in accordance with 'The Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with FRS 102' (The Charities SORP (FRS 102)).

The financial statements have been prepared on a going concern basis and on the historical cost basis, except for the measurement of investments and certain financial assets and liabilities at fair value with movements in value reported within the Statement of Financial Activities (SOFA). The principal accounting policies adopted are set out below and have been applied consistently throughout the year.

**3. Accounting judgements and estimation uncertainty**

The College has used the methodologies provided by the Universities Superannuation Scheme and the Oxford Staff Pension Scheme to calculate its share of the deficits of these two schemes. This calculation therefore embodies major judgements made by the trustees of the schemes as to the actions required to eliminate their overall deficits and the rate at which this can be achieved.

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

**4. Income recognition**

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

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

Fees receivable, less any scholarships, bursaries or other allowances granted from the College's 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 permanent 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 accrual basis with interest recognised in the period to which the interest relates.

Income from fixed interest debt securities is recognised using the effective interest rate method.

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

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

**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.

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.

Intra-group sales and charges between the College and its subsidiary are excluded from trading income and expenditure in the consolidated financial statements.

## **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 are 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.

Expenditure on the acquisition, construction and enhancement of buildings which is directly attributable to bringing the asset to its working condition for its intended use, and expenditure on equipment, amounting to more than £1,500 is capitalised.

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

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

## **8. Depreciation**

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

Freehold properties, including major extensions	50 years
Leasehold properties	Period of lease
Building improvements	10 years
Equipment	3years

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 not included any heritage assets in these accounts.

## **10. Investments**

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.



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 and its subsidiaries is the pound sterling.

Transactions denominated in foreign currencies during the year are translated into pounds sterling using the spot exchange rates at the dates of the transactions.

#### **14. Fund accounting**

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

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

Restricted funds comprise gifts, legacies and grants where the donors have specified that the funds are to be used for particular purposes of the College. They consist of either gifts where the donor has specified that both the capital and any income arising must be used for the purposes given or the income on gifts where the donor has required or permitted the capital 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 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 as information is not available to use defined benefit accounting in accordance with the requirements of FRS 102. The College's contributions to these schemes are recognised as a liability and an expense in the period in which the salaries to which the contributions relate are payable.

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

**16. Agency arrangements**

The college acts as agent in investing monies for the G B Caird Memorial Trust. Income and expenditure relating to this investment is excluded from the statement of financial activities as the College does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 27.