



St Hugh's College

Annual Report and Financial Statements

Year ended 31 July 2019

**ST HUGH'S COLLEGE**  
**Annual Report and Financial Statements**  
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**ST HUGH'S 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 as Governors during the year or subsequently are detailed below.

		Finance Committee	Investment Committee	Academic Committee	Risk Committee	Remuneration Committee
Dame Elish Angiolini (Principal)		•	•	•	•	
Professor A L Harris						
Professor A W Moore					•	
Dr G S Garnett						
Dr T M Kuhn						
Professor J T Chalker						
Professor K R Plunkett						
Professor M B Giles						
Professor J S Getzler			•			
Professor L L Wong						
Professor G A Stellardi						
Professor P J Mitchell						
Professor P D McDonald				•		
Mrs S J Vainker						
Professor S R Duncan						
Professor R K Westbrook		•		•	•	
Dr S Pašeta						
Professor R G Grainger						

**ST HUGH'S COLLEGE****Governing Body, Officers and Advisers****Year ended 31 July 2019**

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		Finance Committee	Investment Committee	Academic Committee	Risk Committee	Remuneration Committee
Professor C J Stevens		•				
Professor M R Macnair				•		
Professor C Wilson		•				
Dr T C B Rood						
Professor A Harnden						
Dr N E R Perkins						
Professor T C Powell						
Professor J Martin						
Professor C Capelli				•		
Professor D P Marshall						
Professor R Perera						
Mr P R C Marshall						
Professor E E Leach				•		
Professor G Loutzenhiser			•			
Professor S J Conway				•		
Professor P Blunsom						
Professor R Baker						
Professor E Mann		•				
Dr T Sanders		•				

**ST HUGH'S COLLEGE****Governing Body, Officers and Advisers****Year ended 31 July 2019**

		Finance Committee	Investment Committee	Academic Committee	Risk Committee	Remuneration Committee
Ms V C Stott		•	•	•	•	
Dr J Parkin						
Professor EM Husband						
Professor C Ballentine						•
Professor D Biro				•		
Professor D Doyle		•				
Professor O Sullivan	Resigned 30 March 2019					
Professor Eidenmüller						•
Professor Jérusalem						
Professor H Oberhauser						
Professor E Saupe						
Professor E Morisi				•		
Professor M McMahon			•			
Professor T D Cousins						
Professor R Cont		•				
Professor B Kornmann						
Professor D F Taylor						

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

**ST HUGH'S COLLEGE****Governing Body, Officers and Advisers****Year ended 31 July 2019**

		Finance Committee	Investment Committee	Academic Committee	Risk Committee	Remuneration Committee
External Committee Members						
Mr T P Roberts	Appointed 29 April 2015; Renewed 13 June 2018		•			
Mr J Digges	Appointed 29 April 2015; Renewed 13 June 2018		•			
Ms R Emerson	Appointed 13 June 2018		•			
Mrs J Lambert	Appointed 19 May 2015; Renewed 14 June 2017					•
Dame Frances Cairncross	Appointed April 2018					•
Dr Timothy Power	Appointed April 2018					•

**COLLEGE SENIOR STAFF**

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

Dame Elish Angiolini	Principal
Professor A Moore	Vice Principal
Ms V C Stott	Bursar
Professor R Westbrook	Senior Tutor

Mr Jeremy Weeks	College Accountant
Mrs Sarah Carthew	Director of Development
Mrs Rahele Mirnateghi	Domestic Bursar

## ST HUGH'S COLLEGE

Governing Body, Officers and Advisers

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### COLLEGE ADVISERS

Investment Managers  BlackRock Advisors (UK) Limited Murray House 1 Royal Mint Court London EC3N 4HH	Oxford University Endowment Management Limited King Charles House Park End Street Oxford OX1 1JD
Sarasin & Partners LLP Juxon House 100 St Paul's Churchyard London EC4M 8BU	
Bankers  Barclays Bank PLC P O Box 299 Birmingham B1 3PF	
Auditor  Critchleys Audit LLP Beaver House 23-38 Hythe Bridge Street Oxford OX1 2EP	Solicitors  Mills and Reeve Botanic House, 100 Hills Road Cambridge CB2 1PH

College Address

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Oxford

OX2 6LE

Website [www.st-hughs.ox.ac.uk](http://www.st-hughs.ox.ac.uk)

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**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**

St Hugh's College in the University of Oxford, which is known as St Hugh's, ("the College") is an eleemosynary chartered charitable corporation aggregate. The College was opened in 1886 by Miss Elizabeth Wordsworth under the title of St Hugh's Hall as a society for women students to study for Oxford examinations. The College registered with the Charities Commission on 6th January 2011 (registered number 1139717).

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 1 to 5.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing documents**

The College is governed by its Charter, Statutes and Bylaws dated 28 June 1926 and last amended in February 2018.

**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 was The Rt Hon Lord Brown of Eaton-under-Heywood, PC during the year 2018/19. The Governing Body is self-appointing, and has such powers as are conferred on it by the College's Charter and subject thereto and to the Statutes, has the entire direction and management of the affairs of the College.

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

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

New members of the Governing Body are normally recruited through a joint appointment process with the University of Oxford in the case of academics, which includes open advertisement of the posts and a professional selection and appointment process. In the case of posts funded solely by the College, recruitment is also through open advertisement of the post followed by a professional selection and appointment process, including external representatives as appropriate. Recommendations of appointment panels in both cases are confirmed by paper vote at Governing Body. New members of the Governing Body are inducted into the workings of the College, including Governing Body policy and procedures, through meetings with the Principal, the Senior Tutor and the Bursar and the provision of a comprehensive set of reference documents. Trustee training is also provided by the University for new members of the Governing Body.

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

Members of the Governing Body are primarily Fellows and are teaching and research employees of the College or University and they receive no remuneration or benefits from their trusteeship of the College. Those trustees that are also employees of the College including the Principal and Bursar receive remuneration for their work as employees of the College, which is based on the advice of the College's Remuneration Committee. The members of the College's Remuneration Committee are Fellows not in receipt of remuneration from the College



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and external advisors. Where possible, remuneration is set in line with that awarded through the national salary settlement for Higher Education.

The remuneration of senior College staff, with the exception of the Principal and Bursar, is set in accordance with the salary scale adopted for that purpose. The remuneration of the Principal and Bursar is set by the College's Remuneration Committee.

**Organisational management**

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

- The Finance Committee

Responsibility for advising the Governing Body on all matters of financial policy and practice, and in particular on the financial implications of any proposals under consideration; presenting annual statements of accounts for the preceding year; approval of budgets and review of monthly management accounts; annual review of all charges made by the College; review of policy relating to conferences; review of salaries for all College employees and others paid by the College.

- The Investment Committee

Responsibility for review and provision of advice to the Governing Body, through Finance Committee, on the investments of the College and the appropriate level of income drawdown.

- The Academic Committee

Responsibility for general planning in academic matters; the appropriateness of the existing establishment of Tutors and Lecturers to the current academic needs of the College; recommending the use of funds available for the purpose of research; presentation to the Governing Body of annual reports from Junior Research Fellows and Career Development Fellows; general responsibility for the supervision of studies.

- The Risk Committee

Responsibility for the review, monitoring and reporting of major risks to the College, and recommendation to the Governing Body of actions to mitigate those risks.

- The Remuneration Committee

Review and recommendation to the Governing Body through Finance Committee, of remuneration and conditions of employment of members of the Governing Body and advice to Finance Committee on the framework of pay and conditions of senior non-academic staff whose detailed pay and conditions are determined by the Principal and Bursar.

The day-to-day running of the College is delegated to the Principal, supported by the Bursar and the Senior Tutor.

**Group structure and relationships**

The College also administers many special trusts, as detailed in Notes 17 to 18 to the financial statements.

The College also has two wholly owned non-charitable subsidiaries: St Hugh's Conferences Limited, whose annual profits are donated to the College under the Gift Aid Scheme, and St Hugh's Estates Limited, which

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undertakes some of the College's building works. The trading activities of St Hugh's Conferences Limited primarily comprise revenue from letting of the College facilities when not in use by the College. The subsidiaries' 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.

**OBJECTIVES AND ACTIVITIES**

**Charitable Objects and Aims**

The College's Objects are:

- To provide for members of the University of Oxford the protection and training of an Academic House, conducted according to the principles of the Church of England, but with full provision for the liberty of those who are not members.
- To do all such other things as are incidental or conducive to advancing education, learning and research in Oxford or elsewhere

The Governing Body has considered the Charity Commission's guidance on public benefit. In keeping with its objects, the College admits as students those who have the highest potential to benefit from the education provided by the College and the University and recruits as academic staff those who are able to contribute most to the academic excellence of the College and University. In the case of both students and academic staff, recruitment is regardless of financial, social, religious or ethnic background:

The College's aims for the public benefit are:

- To advance education, learning and research, in particular by providing, in conjunction with the University of Oxford, an education for 423 undergraduate and 447 graduate students. This education is recognised internationally as being of the very highest standard and develops students academically, personally and socially, preparing them to play a full and effective role in society. In particular, the College provides:
  - teaching facilities and individual or small-group teaching, together with academic, pastoral and administrative support;
  - IT and other administrative support
  - welfare services, including the availability of the Chaplain to assist every member of the College; and
  - residential, social, cultural, musical, recreational and sporting facilities to enable students to realise as much as possible of their academic and personal potential whilst studying at the College.
- To advance research by providing:
  - Official Fellowships, Career Development Fellowships, and Junior and Senior Research Fellowships to outstanding academics, to enable them to develop their research work and disseminate their research in the public domain; and
  - facilities and grants to assist with the pursuit of research, including grants for attendance at national and international academic conferences and assistance with the costs of research trips and research materials.

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There are no geographical restrictions to those who may benefit from the College's aims and objects. Students and academic staff of the College are drawn from across the UK and internationally;

There are no age restrictions in the College's objects but students of the College are predominantly between 18 and 24 years old; and

There are no religious restrictions in the College's objects and members of the College have a wide variety of faith traditions or none.

In order to raise educational aspiration and attract outstanding applicants who might not otherwise have considered applying to the College, the College operates an extensive outreach programme as part of University-wide initiatives to widen access. This programme is the responsibility of the Senior Tutor and includes an extensive programme of visits by schools to the College, open days, admissions symposia for teachers as well as visits to schools and guidance and information on the College website for prospective applicants.

The College has a Strategic Framework, which sets out its ambitions for growth under four categories (strategic goals). These are Academic Vision; Financial Sustainability; Heritage and Estate; and Community. Progress toward the goals set out in the Strategic Framework is monitored by the Governing Body.

The aims set for the College's subsidiaries 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 stated objects and aims for the public benefit.

The focus of the College is strongly academic and students need to satisfy high academic entry requirements.

In order to assist undergraduates entitled to financial support, the College provides, through a scheme operated in common with the University and other Colleges, bursary support for those of limited financial means. For the academic year 2018/19, the number of awards made was 96 including 19 Moritz-Heyman awards. The average value of the awards was £2,411. The scheme is approved by the Office of Fair Access and provides benefits at a substantially higher level than the minimum OFFA requirement.

To support the costs of graduate students, the College provides some financial support. This includes a number of scholarships to fund fees and living costs and 'top-up' funding to fill shortfalls in students' funding packages, and a grant scheme to assist with the purchase of books and equipment, attendance at conferences and travel grants. The total amount expended by the College in 2018/19 for this purpose was £105,353.

The College also makes awards for academic development and has various scholarships and prizes available to reward academic excellence. During the year the College awarded £24,144 to its Undergraduates.

In addition to its other programmes, the College operates a scheme for all students in financial hardship and provides access to hardship schemes operated by the University. For the academic year 2018/19 the College awarded £37,843 of hardship loans and grants and provided £95,086 of free vacation residence. A programme to encourage legacies to be made to the College is in place and annual fundraising campaigns focus on the provision of support for students suffering financial hardship.

**Value for money**

The Governing Body of St Hugh's College has considered the processes in place during the financial period ending 31 July 2019 and is satisfied that, with regard to public and publically accountable funds, the processes for achieving economy, efficiency and effectiveness were appropriate.

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In making this confirmation, members of the Governing Body are cognisant of their obligations as Charity trustees to ensure that funds are correctly applied, in line with the objects of the College.

**ACHIEVEMENTS AND PERFORMANCE**

The College has continued to provide an extremely high level of education to undergraduate students and to offer an environment for research and teaching, alongside providing pastoral and administrative support for undergraduate students, graduate students, Fellows, Lecturers and tutors.

Degrees 2018-19

113 students completed undergraduate degrees; around 170 graduate students completed taught degrees and 33 completed research degrees.

Student recruitment and widening participation

The College continues to work with schools and colleges to encourage able students to consider Oxford and St Hugh's. Tutors and current students work together with the College's Outreach Officer to visit schools and colleges and arrange visits to St Hugh's. This year was the College's first with a full-time Outreach Officer, and we have developed our outreach programme, targeting hard-to-contact schools, and expanding the work we do. St Hugh's coordinates a broad range of outreach and recruitment activities to encourage applications from academically able students from all backgrounds; activities include three annual open days and visits to and from schools in the College's link region (Kent), featuring admissions talks, academic taster sessions and College tours. The College also continues to develop its collaborations with partners such as Target Oxbridge, The Brilliant Club, Oxford Pathways, and Universify, to broaden the scope of its outreach and recruitment activities. The College continues to work with 'Teach First' offering bursaries to St Hugh's students who join the programme and encouraging them to return to St Hugh's with their pupils.

The College continues to target its outreach work at traditionally under-represented groups, and 2018/19 saw the Riot Squad exhibition (part of a BAME initiative led by a former student) displayed in the College for four months. Several items from the exhibition have been taken into the permanent collection, and the newly-formed Art Committee will consider further means of promoting diversity.

Early-career development

The College continues its drive to recruit early-career academics. This year, we recruited to the Powys Roberts Research Fellowship, and a Career Development Fellowship in Chemistry; the postholders will join the College in October 2019 and October 2020 respectively. The Development Office continues to raise funds to support further posts of this kind.

Research Environment

The College continues to provide funding and assistance to its Fellows to enable them to continue to produce world-class research, ranging from attendance at conference events to providing research assistance, periods of sabbatical leave for specific projects, and the opportunity to hold academic networking events in College. A seed-donation has enabled us to extend the range of these grants. This year also saw the recruitment of the first Belcher Visiting Fellow in Victorian Studies; Professor Hewitt will join us in January 2020.

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Library

The Librarian continues to work closely with Fellows to strengthen and update the collection with relevant textbooks and other key works for undergraduate and graduate students. Some subject areas have seen an increase in spend due to the arrival of new Fellows.

Noteworthy progress has been made with the reclassification project and new refinements in the classification system have improved users' ease of access. The project is currently focussed on the Linguistics section.

The library continues to strive to improve its services for all students. A range of study spaces are available for group study and quiet work, and the self-issue system enables access to and circulation of the working collection at all times.

The library hosts termly exhibitions which are opportunities to showcase material from the archive and the rare books collection.

Chapel

The Chapel continues to provide for religious worship, and offers an opportunity for students to join its vibrant Choir. The Choir contains approximately twenty-five undergraduate, graduate, and staff singers each year, presenting a popular extracurricular activity, and a support to the Chapel's main services and events. A smaller Chapel Chamber Choir has recently been assembled, providing a well-trained sub-group of singers for special occasions.

A Chapel Music Tutor gives overall musical guidance, especially to our three Organ Scholars and four Choral Award holders. A professional voice teacher is in regular engagement with our singers.

The main Chapel service are Choral Evensongs, with guest speakers on Sunday evenings at 6.15pm, followed by drinks and a meal in the Dining Hall. A wide variety of speakers visit us from the university, religious sectors, and the national media, drawing strong crowds. Occasional services including Eucharists, Baptisms, and Weddings occur regularly. The largest single event of each academic year continues to be the annual Advent Carol service, which requires a move to Maplethorpe Hall for a capacity crowd. While the Chapel is historically a Church of England foundation, careful efforts to welcome and cater for all College constituents, regardless of viewpoint, continue to be given increasing attention. Services with the University Catholic Chaplaincy, and interfaith events with speakers from non-Christian religions take place each term. Interfaith services with Muslim, Jewish and other religious communities have proven to be particularly popular, with substantial crowds in attendance who dine in College afterwards. A Multi-faith Prayer and Quiet Room exists to complement the Chapel, offering a space for those of any religious viewpoint or none an alternative room for prayer, contemplation, or healthy quiet time. Recent popular additions to Chapel activities have included College fine artists' exhibitions and musical concerts. All financial gifts from weekly congregations are given to a different registered charity at the conclusion of each Term.

Development

Fundraising for the Future Project remains the main capital fundraising priority. Progress continues to be made with the Principal's and Director of Development's visits to Hong Kong and Shenzhen. The Elizabeth Wordsworth Fellowship Society Hong Kong was launched by the Principal in March 2019 with valuable new contacts made as a result. However, fundraising for core endowment needs, is becoming increasingly important. Activity in the US also continued with the Principal hosting a summer event courtesy of an alumna.

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The Development team is leading ongoing fundraising for Career Development Fellowships (CDFs), postgraduate scholarships and undergraduate bursaries. Funding was agreed for an Engineering Science CDF and the Elizabeth Wordsworth Centenary Fellowship for Women in Humanities.

The College is grateful to those who have pledged legacies for the future while income from legacies continues to play an important role. Significant legacies were received from many alumni over the year including those from Helen Purkis (Modern Languages, 1940), Mary Coppin (Modern Languages, 1952) and Elaine Wenda Reynolds (English Language and Literature, 1934).

Individual meetings with previously unengaged alumni and potential donors within the UK have grown this year, with the employment of the new Deputy Director of Development; 48 meetings have taken place since January. A further 6 stewardship meetings were held in the USA by the Alumni Relations Manager during the visit in April.

The Development team continues to run the annual Telethon which raised £164,000 in 2018/19. The direct mail campaign raised £59,000 as against £53,000 in 2018, a 9% increase. Events continue to be very popular with over 600 applying for tickets for the Garden Party. The Business Breakfasts continue to attract previously unengaged alumni and give opportunities to reach and build new relationships. The calendar year to August saw 1404 guests attend our events of which 517 were alumni in comparison to 431 alumni attendees in the equivalent 2018 period, an increase of 20%.

#### Conference and Bed & Breakfast

The College's commercial activities have had another very successful year. We have increased revenue from summer schools by maximising occupancy through a more efficient allocation of bedrooms. In addition, we continue to build strong relationships with existing and new clients and it is great to see so many returning guests choosing our College as their venue. The conference team's hard work has driven an increase of almost 4% in commercial revenue.

In our core business, the vision continues to be to provide clean, safe and comfortable accommodation to our students, Fellows and visitors across the site and we have completed a number of refurbishments this year, including student bedrooms in our Main Building.

We increased the number of rooms which can be used as a twin or double room. This has proved to be very popular for our bed and breakfast and other visitors. We have also expanded our catering offerings for our bed and breakfast guests to include dinner, for an additional fee.

#### Catering

Our agreement with the new food procurement agency proved to be a great success and in the first year of this trial, the College managed to achieve a 15% saving of the total food cost. In light of this, the College has extended the contract for another year and progress continues to be monitored.

The Wordsworth Tea Room continues to be popular amongst our community, especially during lunch hours. We continue to be creative with the menus and offerings and this seem to be a great addition to the Dining Hall menu for our students, staff and fellows. Again, we have seen an increase of over 4% in annual income from this source.

The introduction of daily vegan meals has been welcomed by the student body and the College continues to communicate with students for feedback and continuing satisfaction on our catering offerings in the Dining Hall and the Wordsworth Tea Room.

Recruitment challenges continue across various departments in College, including Catering. However, the team work hard to provide excellent service and the quality of food continues to improve. Feedback from our students, Fellows, alumni and other key visitors has been extremely positive and motivating for the team.

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Strategy and Planning Horizon

The Governing Body has reviewed the strategic framework and has continued to keep operational and strategic plans under review. While we have made good progress in our long term target of retained surplus of 5% of income, increases in pension contributions and other unavoidable core costs mean that the target has not been achieved this year, and next year's budget will require close monitoring to ensure that the College preserves its record of finishing the year in surplus. The budget round has seen managers propose tight financial controls in each of their areas, and the income targets for all discretionary income lines have been set to a stretch level.

The College's strategic framework is due to be reviewed in the forthcoming year.

**FINANCIAL REVIEW**

Total income excluding donations rose by £883k (2018: £1,673k) and this 8% (2018: 18%) increase is due mainly to an increase in investment income.

Total expenditure has increased by £2.4m (21%). The main factor is additional costs, £1.2m, associated with the increase in the provisions for the USS & OSPS pension schemes. There are also other factors that have given rise to cost increases, including the costs of continuing to meet the Real Living Wage and the effect of changes to employer's pension contributions. There has also been an increase in investment across the College's estate investment programme.

Total bank borrowings reduced from £3.4m to £1.3m. The College had three loans from Barclays; two of these loans are repayable by instalments of currently £0.26m per annum with the third, £1.825m was fully repaid in March 2019.

**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.

Total funds of the College and its subsidiaries at the year-end amounted to £73.4m (2018: £70.7m). This includes endowment capital of £39.1m (2018: £37.5m) and unspent restricted income funds totalling £3.9m (2018: £3.2m). Free reserves at the year-end amounted to £3.8m (2018: £1.4m), representing retained unrestricted income reserves excluding an amount of £26.3m (2018: £27.2m) for the book value of tangible fixed assets less associated funding arrangements.

The College is making progress towards its target for free reserves of between three months and six months expenditure. Our objective is to reach this target in the next four years.

Designated reserves at the year-end comprised £2.4m (2018: £2.3m) for Scholarships, Lectureships and for General Educational purposes. All Designated funds are capital funds where only the income is treated as expendable.

## **Risk management**

The College has on-going processes, which operate throughout the financial year for identifying, evaluating and managing the principal risks and uncertainties faced by the College and its subsidiaries in undertaking their activities. When it is not able to address risk issues using internal resources, the College takes advice from experts external to the College with specialist knowledge. Policies and procedures within the College are reviewed by the relevant College Committee. Financial risks are assessed by the Finance Committee and investment risks are monitored by the Investment Committee. In addition, the Head of Estates and relevant staff 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, which has ultimate responsibility for managing any risks faced by the College, has reviewed the processes in place for managing risk and identified the principal risks to which the College and its subsidiaries are exposed and have concluded that adequate, robust systems are in place to manage these risks.

## **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 funding 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 on a total return basis, maintaining diversification across a range of asset classes in order to produce an appropriate balance between risk and return. In line with this approach, the College statutes allow the College to invest permanent endowments to maximise the related total return and to make available for expenditure each year an appropriate proportion of the unapplied total return.

The investment policy and strategy are set by the Governing Body as advised by the Investment Committee from time to time and performance is regularly monitored by the Investment Committee. At the year end, the College's long term investments, combining the securities and property investments, totalled £95.9m (2018: £88.9m). The overall total investment return was 6% (2018: 10.2%) over the year which compared to the average benchmark returns across the funds of 5.9%.

The carrying value of the preserved permanent capital and the amount of any unapplied total return available for expenditure was taken as the open market values of these funds as at 1 August 2002 together with the original gift value of all subsequent endowment received.

On the total return basis of accounting, it is the Governing Body's policy to extract as income 3.77% (plus costs) of the value of the relevant investments. However, to smooth and moderate the amounts withdrawn this 3.77% is calculated on the average of the year end values in each of the last five years.

The equivalent of 3.77% of the opening value of the securities and property investments, plus costs, was extracted as income on the total return basis in the year. The Governing Body keeps the level of income withdrawn under review to balance the needs and interests of current and future beneficiaries of the College's activities.



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Within the College's holdings of securities and investments, this income extraction policy is not applied to: one holding of shares in Oxford University's Endowment Management's Oxford Endowment Fund and to the joint equity properties which are listed in Note 27 of the financial statements. Any income distributions issued by these investments are treated as income as they are received.

**FUTURE PLANS**

The College's future plans as agreed by the Governing Body are set out in the College's Strategic Framework. The core elements of this are:

- to balance a thriving culture of research, scholarship and intellectual custodianship with a commitment to teaching at the highest level;
- to recruit the best minds and nurture the next generation of academics;
- to ensure the College retains sufficient working capital to ensure its sustainability;
- to establish a fundraising programme to renew and preserve the College's estate;
- to increase our endowment to a sustainable level, endowing and protecting Fellowships and increasing bursary, scholarship and hardship funding for students, particularly at graduate level;
- to ensure our links with alumni maintains a relevant and enduring relationship;
- to improve diversity in the College community, in particular addressing the under-representation of women and ethnic minorities on the Governing Body.

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.

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

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

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

Under charity law the Governing Body must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the College and of its net 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;
- 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 13<sup>th</sup> November 2019 and signed on its behalf by:

Principal

Dame Elish Angiolini

# ST HUGH'S COLLEGE

## Report of the Auditors

Year ended 31 July 2019

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### Independent auditor's report to the Governing Body of St Hugh's College

#### Opinion

We have audited the financial statements of St Hugh's College (the "Charity") for the year ended 31 July 2019 which comprise the Statement of Accounting Policies, the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes numbered 1 to 29. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 July 2019 and of its 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 Governing Body use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- 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 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.

## ST HUGH'S COLLEGE

### Report of the Auditors

Year ended 31 July 2019

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#### 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 Governing Body

As explained more fully in the Governing Body responsibilities statement set out on page 16, the Governing Body is 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 Governing Body is 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 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/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### Use of our report

This report is made solely to the College's Governing Body 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 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.

*Critchleys Audit LLP (Statutory Auditor)*  
23-28 Hythe Bridge  
Oxford  
OX1 2EP

*Date:*

*Critchleys Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.*

# ST HUGH'S COLLEGE

## Statement of Accounting Policies

Year ended 31 July 2019

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### 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 subsidiaries, St Hugh's Conferences Limited and St Hugh's Estates Limited. No separate SOFA has been presented for the College alone, as currently permitted by the Charity Commission on a concessionary basis. A summary of the results and financial position of the charity and each of its material subsidiaries 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

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

### 4. Income recognition

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

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

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

#### *b. Income from donations, grants and legacies*

Donations and grants that do not impose 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.

**ST HUGH'S COLLEGE**  
**Statement of Accounting Policies**  
**Year ended 31 July 2019**

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

**c. *Investment income***

Interest on bank balances is accounted for on an 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 include governance costs (costs of complying with constitutional and statutory requirements) and other indirect costs, are apportioned to expenditure categories in the SOFA based on the estimated amount attributable to that activity in the year, either by reference to staff time or the use made of the underlying assets, as appropriate. Irrecoverable VAT is included with the item of expenditure to which it relates.

Intra-group sales and charges between the College and its subsidiaries 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 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 or enhancement of land and on the acquisition, construction and enhancement of buildings which is directly attributable to bringing the asset to its working condition for its intended use and amounting to more than £10,000 together with expenditure on equipment costing more than £10,000 is capitalised. Where a part of a building or equipment is replaced and the costs capitalised, the carrying value of those parts replaced is derecognised and expensed in the SOFA.

Other expenditure on equipment incurred in the normal day-to-day running of the College and its 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
Building improvements	15 years
Equipment	3-10 years

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

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

**9. Investments**

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

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

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

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

**10. Other financial instruments**

**a. 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.

**11. Stocks**

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

**12. Foreign currencies**

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

**13. Total Return Investment accounting**

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

**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



**ST HUGH'S COLLEGE**  
**Statement of Accounting Policies**  
**Year ended 31 July 2019**

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income will be accounted for as unrestricted funds unless the donor has placed restrictions on the use of that income, in which case it will be accounted for as a restricted fund.

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

**15. Pension costs**

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

**St Hugh's College**  
**Consolidated Statement of Financial Activities**  
**For the year ended 31 July 2019**

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2019 Total £'000	2018 Total £'000
<b>INCOME AND ENDOWMENTS FROM:</b>						
<b>Charitable activities:</b>						
Teaching, research and residential	1	7,712	-	-	7,712	7,487
<b>Other Trading Income</b>	3	1,373	-	-	1,373	1,347
<b>Donations and legacies</b>	2	400	970	609	1,979	4,002
<b>Investments</b>						
Investment income	4	1,995	15	769	2,779	2,143
Total return allocated to income	12	1,069	-	(1,069)	-	-
Other income		17	-	-	17	21
<b>Total income</b>		<b>12,566</b>	<b>985</b>	<b>309</b>	<b>13,860</b>	15,000
<b>EXPENDITURE ON:</b>						
	5					
<b>Charitable activities:</b>						
Teaching, research and residential		12,518	132	-	12,650	10,280
<b>Generating funds:</b>						
Fundraising		852	-	-	852	834
Trading expenditure		600	-	-	600	617
Investment management costs		184	-	36	220	144
<b>Total Expenditure</b>		<b>14,154</b>	<b>132</b>	<b>36</b>	<b>14,322</b>	11,875
<b>Net Income/(Expenditure) before gains</b>		<b>(1,588)</b>	<b>853</b>	<b>273</b>	<b>(462)</b>	<b>3,125</b>
Net gains/(losses) on investments	10	1,852	25	1,271	3,148	2,329
<b>Net Income/(Expenditure)</b>		<b>264</b>	<b>878</b>	<b>1,544</b>	<b>2,686</b>	<b>5,454</b>
<b>Transfers between funds</b>	17	-	-	-	-	-
<b>Net movement in funds for the year</b>		<b>264</b>	<b>878</b>	<b>1,544</b>	<b>2,686</b>	<b>5,454</b>
Fund balances brought forward	17	30,012	3,154	37,562	70,728	65,274
<b>Funds carried forward at 31 July</b>		<b>30,276</b>	<b>4,032</b>	<b>39,106</b>	<b>73,414</b>	<b>70,728</b>

**St Hugh's College**  
**Consolidated and College Balance Sheets**  
**As at 31 July 2019**

	Notes	2019 Group £'000	2018 Group £'000	2019 College £'000	2018 College £'000
<b>FIXED ASSETS</b>					
Tangible assets	9	26,393	27,153	26,393	27,153
Other Investments	10	95,839	88,873	95,839	88,873
<b>Total Fixed Assets</b>		<b>122,232</b>	<b>116,026</b>	<b>122,232</b>	<b>116,026</b>
<b>CURRENT ASSETS</b>					
Stocks		160	153	159	153
Debtors	13	1,248	2,313	1,073	1,970
Cash at bank and in hand		5,665	9,079	5,665	9,079
<b>Total Current Assets</b>		<b>7,073</b>	<b>11,545</b>	<b>6,897</b>	<b>11,202</b>
<b>LIABILITIES</b>					
Creditors: Amounts falling due within one year	14	2,392	2,625	2,204	2,269
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<b>4,681</b>	<b>8,920</b>	<b>4,693</b>	<b>8,933</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>126,913</b>	<b>124,946</b>	<b>126,925</b>	<b>124,959</b>
<b>CREDITORS: falling due after more than one year</b>	15	<b>51,037</b>	<b>53,120</b>	<b>51,037</b>	<b>53,120</b>
<b>Provisions for liabilities and charges</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET ASSETS/(LIABILITIES) BEFORE PENSION ASSET OR LIABILITY</b>		<b>75,876</b>	<b>71,826</b>	<b>75,888</b>	<b>71,839</b>
Defined benefit pension scheme liability	16	2,462	1,098	2,460	1,098
<b>TOTAL NET ASSETS/(LIABILITIES)</b>		<b>73,414</b>	<b>70,728</b>	<b>73,428</b>	<b>70,741</b>
<b>FUNDS OF THE COLLEGE</b>					
	17				
<b>Endowment funds</b>		<b>39,106</b>	<b>37,562</b>	<b>39,106</b>	<b>37,562</b>
<b>Restricted funds</b>		<b>4,032</b>	<b>3,154</b>	<b>4,032</b>	<b>3,154</b>
<b>Unrestricted funds</b>					
Designated funds		2,384	2,317	2,384	2,317
General funds		30,354	28,793	30,368	28,806
Revaluation reserve					
Pension reserve		(2,462)	(1,098)	(2,462)	(1,098)
		<b>73,414</b>	<b>70,728</b>	<b>73,428</b>	<b>70,741</b>

The financial statements were approved and authorised for issue by the Governing Body of St Hugh's College on the 13th November 2019

Trustee:

Trustee:

**St Hugh's College**  
**Consolidated Statement of Cash Flows**  
**For the year ended 31 July 2019**

	Notes	2019 £'000	2018 £'000
<b>Net cash provided by (used in) operating activities</b>	23	<b>(509)</b>	569
<b>Cash flows from investing activities</b>			
Dividends, interest and rents from investments		2,779	2,143
Proceeds from the sale of property, plant and equipment		5	5
Purchase of property, plant and equipment		(394)	(1,097)
Proceeds from sale of investments		-	-
Purchase of investments		(3,821)	(47,003)
<b>Net cash provided by (used in) investing activities</b>		<b>(1,431)</b>	<b>(45,952)</b>
<b>Cash flows from financing activities</b>			
Repayments of borrowing		(2,083)	(258)
Cash inflows from new borrowing		-	50,000
Receipt of endowment		609	1,619
<b>Net cash provided by (used in) financing activities</b>		<b>(1,474)</b>	<b>51,361</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>(3,414)</b>	<b>5,978</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b>9,079</b>	3,101
<b>Change in cash and cash equivalents in the reporting period</b>		<b>(3,414)</b>	<b>5,978</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	24	<b>5,665</b>	<b>9,079</b>

**St Hugh's College**  
**Notes to the financial statements**  
**For the year ended 31 July 2019**

**1 INCOME FROM CHARITABLE ACTIVITIES**

	<b>2019</b>	2018
	<b>£'000</b>	£'000
<b>Teaching, Research and Residential</b>		
Unrestricted funds		
Tuition fees - UK and EU students	1,829	1,830
Tuition fees - Overseas students	1,402	1,194
Other fees	47	56
Other HEFCE support	202	216
Other academic income	83	46
College residential income	4,149	3,898
<b>Total Teaching, Research and Residential</b>	<b>7,712</b>	<b>7,240</b>
<b>Total income from charitable activities</b>	<b>7,712</b>	<b>7,240</b>

The above analysis includes £3,433k (2018: £3,342k) received from Oxford University from publicly accountable funds under the CFF Scheme

Under the terms of the undergraduate student support package offered by Oxford University to students from lower income households, the college share of the fees waived amounted to £7k (2018: £22k). These are not included in the fee income reported above.

**2 DONATIONS AND LEGACIES**

	<b>2019</b>	2018
	<b>£'000</b>	£'000
<b>Donations and Legacies</b>		
Unrestricted funds	400	460
Restricted funds	970	1,923
Endowed funds	609	1,619
	<b>1,979</b>	<b>4,002</b>

**3 INCOME FROM OTHER TRADING ACTIVITIES**

	<b>2019</b>	2018
	<b>£'000</b>	£'000
Subsidiary company trading income	1,373	1,347
	<b>1,373</b>	<b>1,347</b>

**4 INVESTMENT INCOME**

	<b>2019</b>	2018
	<b>£'000</b>	£'000
<i>Unrestricted funds</i>		
Other property income	-	(20)
Other investment income	1,912	1,494
Bank interest	83	48
	<b>1,995</b>	<b>1,522</b>
<i>Restricted funds</i>		
Other investment income	15	13
	<b>15</b>	<b>13</b>
<i>Endowed funds</i>		
Other investment income	769	608
	<b>769</b>	<b>608</b>
<b>Total Investment income</b>	<b>2,779</b>	<b>2,143</b>

**St Hugh's College**  
**Notes to the financial statements**  
**For the year ended 31 July 2019**

**5 ANALYSIS OF EXPENDITURE**

	<b>2019</b>	2018
	<b>£'000</b>	£'000
<b>Charitable expenditure</b>		
Direct staff costs allocated to:		
Teaching, research and residential	5,356	5,023
Other direct costs allocated to:		
Teaching, research and residential	3,059	2,832
Support and governance costs allocated to:		
Teaching, research and residential	4,235	2,425
<b>Total charitable expenditure</b>	<u>12,650</u>	<u>10,280</u>
<b>Expenditure on raising funds</b>		
Direct staff costs allocated to:		
Fundraising	399	392
Trading expenditure	165	133
Investment management costs	-	-
Other direct costs allocated to:		
Fundraising	349	350
Trading expenditure	159	211
Investment management costs	-	-
Support and governance costs allocated to:		
Fundraising	104	92
Trading expenditure	276	273
Investment management costs	220	144
<b>Total expenditure on raising funds</b>	<u>1,672</u>	<u>1,595</u>
<b>Total expenditure</b>	<u>14,322</u>	<u>11,875</u>

The 2018 resources expended of £14,322k (2018: £11,875k) represented £14,154k (2018: £11,355k) from unrestricted funds, £132k (2018 : £465k) from restricted funds and £36k (2018 : £35k) from endowed funds.

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

The teaching and research costs include College Contribution payable of £19k (2018 - £3k).

**St Hugh's College**  
**Notes to the financial statements**  
**For the year ended 31 July 2019**

**6 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS**

	Generating Funds £'000	Teaching and Research £'000	2019 Total £'000
Financial administration	307	245	552
Human resources	14	128	142
IT	47	232	279
Depreciation	230	922	1,152
Bank interest payable	-	1,322	1,322
Other finance charges	-	1,365	1,365
Governance costs	2	21	23
	<b>600</b>	<b>4,235</b>	<b>4,835</b>

	Generating Funds £'000	Teaching and Research £'000	2018 Total £'000
Financial administration	212	190	402
Human resources	15	133	148
IT	45	198	243
Depreciation	235	936	1,171
Bank interest payable	-	1,127	1,127
Other finance charges	-	(179)	(179)
Governance costs	2	20	22
	<b>509</b>	<b>2,425</b>	<b>2,934</b>

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

**Governance costs comprise:**

Auditor's remuneration - audit services

2019 £'000	2018 £'000
23	22
<b>23</b>	<b>22</b>

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

**7 GRANTS AND AWARDS**

2019  
£'000

2018  
£'000

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

**Unrestricted funds**

Grants to individuals:

Scholarships, prizes and grants

Bursaries and hardship awards

**Total unrestricted**

187	126
138	130
<b>325</b>	<b>256</b>

**Restricted funds**

Grants to individuals:

Scholarships, prizes and grants

Bursaries and hardship awards

**Total restricted**

54	68
1	-
<b>55</b>	<b>68</b>

**Total grants and awards**

<b>380</b>	<b>324</b>
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The figure included above represents the cost to the College of the Oxford Bursary scheme. Students of this college received £100k (2018: £112k). Some of those students also received fee waivers amounting to £0k (2018: £22k).

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

**St Hugh's College**  
**Notes to the financial statements**  
**For the year ended 31 July 2019**

**8 STAFF COSTS**

	<b>2019</b>	2018
	<b>£'000</b>	£'000
The aggregate staff costs for the year were as follows.		
Salaries and wages	<b>5,198</b>	4,702
Social security costs	<b>424</b>	387
Pension costs:		
Defined benefit schemes	<b>691</b>	850
Defined contribution schemes	<b>11</b>	10
Movement in pension provisions	<b>1,337</b>	(200)
	<b>7,661</b>	5,749

	<b>2019</b>	2018
The average number of employees of the College, excluding Trustees, on a full time equivalent basis was as follows.		
Tuition and research	25	23
College residential	84	84
Fundraising	6	7
Support	13	12
Total	<b>128</b>	126

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

University Lecturers	27	26
CUF Lecturers	9	9
Other teaching and research	3	3
Other	2	2
Total	<b>41</b>	40

Redundancy payments are accounted for in the period in which the employee was informed of the decision. Where redundancy costs are uncertain, the figure in the accounts represents a best estimate. These costs will be met from unrestricted funds.

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

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

£60,001-£70,000	<b>4</b>	1
£90,001-£100,000	<b>1</b>	1

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

<b>5</b>	2
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The College contributions to defined contribution pension schemes totalled	<b>60</b>	28
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**St Hugh's College**  
**Notes to the financial statements**  
**For the year ended 31 July 2019**

**9 TANGIBLE FIXED ASSETS**

<b>Group</b>	<b>Freehold land and buildings £'000</b>	<b>Fixtures, fittings and equipment £'000</b>	<b>Total £'000</b>
<b>Cost</b>			
At start of year	38,557	3,271	41,828
Additions	334	60	394
Disposals	-	(2)	(2)
<b>At end of year</b>	<b>38,891</b>	<b>3,329</b>	<b>42,220</b>
<b>Depreciation and impairment</b>			
At start of year	12,232	2,443	14,675
Depreciation charge for the year	977	175	1,152
Depreciation on disposals	-	-	-
Impairment	-	-	-
<b>At end of year</b>	<b>13,209</b>	<b>2,618</b>	<b>15,827</b>
<b>Net book value</b>			
<b>At end of year</b>	<b>25,682</b>	<b>711</b>	<b>26,393</b>
At start of year	26,325	828	27,153
<b>College</b>	<b>Freehold land and buildings £'000</b>	<b>Fixtures, fittings and equipment £'000</b>	<b>Total £'000</b>
<b>Cost</b>			
At start of year	38,557	3,271	41,828
Additions	334	60	394
Disposals	-	(2)	(2)
<b>At end of year</b>	<b>38,891</b>	<b>3,329</b>	<b>42,220</b>
<b>Depreciation and impairment</b>			
At start of year	12,232	2,443	14,675
Charge for the year	977	175	1,152
On disposals	-	-	-
Impairment	-	-	-
<b>At end of year</b>	<b>13,209</b>	<b>2,618</b>	<b>15,827</b>
<b>Net book value</b>			
<b>At end of year</b>	<b>25,682</b>	<b>711</b>	<b>26,393</b>
At start of year	26,325	828	27,153

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.

**St Hugh's College**  
**Notes to the financial statements**  
**For the year ended 31 July 2019**

**10 OTHER INVESTMENTS**

All investments are held at fair value.

	2019 £'000	2018 £'000
<b>Group investments</b>		
Valuation at start of year	88,825	39,493
New money invested	2,843	46,382
Amounts withdrawn	-	-
Reinvested income	978	621
Investment management fees	-	-
(Decrease)/increase in value of investments	3,148	2,329
<b>Group investments at end of year</b>	<b>95,794</b>	<b>88,825</b>
Investment in associates	45	48
<b>College investments at end of year</b>	<b>95,839</b>	<b>88,873</b>

Group investments comprise:	Held outside the UK £'000	Held in the UK £'000	2019 Total £'000	Held outside the UK £'000	Held in the UK £'000	2018 Total £'000
Equity investments	31,578	34,468	66,046	22,800	29,383	52,183
Global multi-asset funds	-	-	-	-	-	-
Property funds	-	4,472	4,472	-	3,760	3,760
Fixed interest stocks	-	21,636	21,636	-	27,087	27,087
Alternative and other investments	-	1,318	1,318	-	1,519	1,519
Fixed term deposits and cash	-	2,322	2,322	-	4,276	4,276
<b>Total group investments</b>	<b>31,578</b>	<b>64,216</b>	<b>95,794</b>	<b>22,800</b>	<b>66,025</b>	<b>88,825</b>

**North Oxford Shared College Services Limited**

The College owns 33.3% of the issued share capital of North Oxford Shared College Services Limited. The company provides IT services to the College. The company was incorporated 20 July 2017 in England & Wales. This investment is not consolidated on the basis of materiality.

**Boathouse Consortium Limited**

The College owns 33.3% of the issued share capital of Boathouse Consortium Limited. The company owns a boathouse that is utilised by the College. The company was incorporated 28 February 1989 in England & Wales. This investment is not consolidated on the basis of materiality.

**11 PARENT AND SUBSIDIARY UNDERTAKINGS**

The College holds 100% of the issued share capital in St Hugh's Conferences Limited, a company providing conference and other event services on the College premises, and 100% of the issued share capital in St Hugh's Estates Limited, a company providing design and build construction services to the College. The results of both subsidiary companies are incorporated into the group financial statements of St Hugh's College. Both subsidiary companies are registered in England and Wales

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

	Parent College	Conference	Estates
	£'000	£'000	£'000
Income	12,493	1,364	-
Expenditure	(13,239)	(521)	(2)
Donation to College under gift aid	-	(249)	-
<b>Result for the year</b>	<b>(746)</b>	<b>594</b>	<b>(2)</b>
Total assets	129,129	319	-
Total liabilities	(55,987)	(319)	(13)
<b>Net funds at the end of year</b>	<b>73,142</b>	<b>-</b>	<b>(13)</b>
Registered Company number		5670486	7797621
		£	£
Authorised. Allotted and Fully paid Issued Share Capital 1 ordinary shares of £1 each		1	1

**St Hugh's College**  
**Notes to the financial statements**  
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**12 STATEMENT OF INVESTMENT TOTAL RETURN**

The Trustees have adopted a duly authorised policy of total return accounting for the College investment returns with effect from 15 May 2002. The investment return to be applied as income is calculated as 3.77% (2018: 3.77%) (plus costs) of the average of the year-end values of the relevant investments in each of the last 5 years. The preserved (frozen) value of the invested endowment capital represents its open market value at 31 July 2002 together with all subsequent endowments valued at date of gift.

	Trust for Investment £'000	Permanent Endowment Unapplied Total Return £'000	Total £'000	Expendable Endowment £'000	Total Endowments £'000
<b>At the beginning of the year:</b>					
Gift component of the permanent endowment	14,128	-	14,128	-	14,128
Unapplied total return	-	11,180	11,180	-	11,180
Expendable endowment				12,254	12,254
<b>Total Endowments</b>	<b>14,128</b>	<b>11,180</b>	<b>25,308</b>	<b>12,254</b>	<b>37,562</b>
<b>Movements in the reporting period:</b>					
Gift of endowment funds	609	-	609	-	609
Recoupment of trust for investment	-	-	-	-	-
Allocation from trust for investment	-	-	-	-	-
Investment return: total investment income	-	343	343	426	769
Investment return: realised and unrealised gains and losses	-	856	856	415	1,271
Less: Investment management costs	-	-	-	(36)	(36)
Other transfers	-	-	-	-	-
<b>Total</b>	<b>609</b>	<b>1,199</b>	<b>1,808</b>	<b>805</b>	<b>2,613</b>
Unapplied total return allocated to income in the reporting period	-	(671)	(671)	-	(671)
Expendable endowments transferred to income	-	-	-	(398)	(398)
	-	(671)	(671)	(398)	(1,069)
<b>Net movements in reporting period</b>	<b>609</b>	<b>528</b>	<b>1,137</b>	<b>407</b>	<b>1,544</b>
<b>At end of the reporting period:</b>					
Gift component of the permanent endowment	14,737	-	14,737	-	14,737
Unapplied total return	-	11,708	11,708	-	11,708
Expendable endowment	-	-	-	12,661	12,661
<b>Total Endowments</b>	<b>14,737</b>	<b>11,708</b>	<b>26,445</b>	<b>12,661</b>	<b>39,106</b>

**13 DEBTORS**

	2019 Group £'000	2018 Group £'000	2019 College £'000	2018 College £'000
<b>Amounts falling due within one year:</b>				
Trade debtors	516	695	354	525
Loans repayable within one year	41	29	41	29
Prepayments and accrued income	623	1,504	610	1,331
Other debtors	6	7	6	7
<b>Amounts falling due after more than one year:</b>				
Loans	62	78	62	78
	<b>1,248</b>	<b>2,313</b>	<b>1,073</b>	<b>1,970</b>

**St Hugh's College**  
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**14 CREDITORS: falling due within one year**

	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>Group</b>	<b>Group</b>	<b>College</b>	<b>College</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Bank loans	260	260	260	260
Trade creditors	484	612	484	612
Amounts owed to Group undertakings	-	-	133	38
Taxation and social security	235	71	124	(3)
Accruals and deferred income	971	1,180	846	1,045
Other creditors	442	502	357	317
	<b>2,392</b>	<b>2,625</b>	<b>2,204</b>	<b>2,269</b>

Deferred Income included within Accruals and Other Income

Balance brought forward	674	484	464	274
Vacation Residence Students Allowances	14	14	14	14
Graduate Rents	33	33	33	33
Visitors	31	31	31	31
CFF	82	82	82	82
Other	30	30	30	30
Balance carried forward	864	674	654	464

**15 CREDITORS: falling due after more than one year**

	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>Group</b>	<b>Group</b>	<b>College</b>	<b>College</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Bank loans	1,037	3,120	1,037	3,120
Bond	50,000	50,000	50,000	50,000
	<b>51,037</b>	<b>53,120</b>	<b>51,037</b>	<b>53,120</b>

The College has two bank loans with an element that is due in more than one year

Loan 1 : £599k (2018: £807k) repayable quarterly LIBOR +0.5% - end date 27/3/2023. This loan is secured on various of the College's properties.

Loan 2 : £438k (2018 : £488k) repayable quarterly LIBOR +0.275% - end date 14/3/2028

On the 25th September 2017 a £50m Private Placement issue was completed, with Pension Insurance Corporation.

Series A Senior Unsecured Notes are for £25m borrowed for a term of 45 years at 2.56% repayable on 19th October 2061

Series B Senior Unsecured Notes are for £25m borrowed for a term of 50 years at 2.57% repayable on 19th October 2066

**16 PROVISIONS FOR PENSION LIABILITIES**

	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>Group</b>	<b>Group</b>	<b>College</b>	<b>College</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
At start of year	1,098	1,275	1,096	1,275
Charged in the Statement of Financial Activities	1,364	(177)	1,364	(177)
Settled in the year	-	-	-	-
<b>At end of year</b>	<b>2,462</b>	<b>1,098</b>	<b>2,460</b>	<b>1,098</b>

The above provision relates to an estimate of the share of liabilities arising from the underfunding of defined benefit pension schemes.

**St Hugh's College**  
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**17 ANALYSIS OF MOVEMENTS ON FUNDS**

	At 1 August 2018 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2019 £'000
<b>Endowment Funds - Permanent</b>						
Bursaries	600	12	-	(7)	20	625
Fellowships and lectureships	16,352	355	-	(397)	553	16,863
General educational purposes	1,620	33	-	(12)	55	1,696
Library	502	10	-	(21)	17	508
Other purposes	3,013	76	-	(131)	102	3,060
Prizes	194	13	-	(3)	7	211
Scholarships	3,027	453	-	(100)	102	3,482
<b>Endowment Funds - Expendable</b>						
Bursaries	145	3	-	(4)	5	149
Chapel	285	6	-	(9)	10	292
Fellowships and lectureships	1,393	59	-	(43)	47	1,456
General educational purposes	9,412	255	(36)	(312)	318	9,637
Library	52	1	-	(3)	2	52
Other purposes	400	90	-	(27)	14	477
Scholarships	567	12	-	-	19	598
<b>Total Endowment Funds - College</b>	<b>37,562</b>	<b>1,378</b>	<b>(36)</b>	<b>(1,069)</b>	<b>1,271</b>	<b>39,106</b>
Endowment funds held by subsidiaries	-	-	-	-	-	-
<b>Total Endowment Funds - Group</b>	<b>37,562</b>	<b>1,378</b>	<b>(36)</b>	<b>(1,069)</b>	<b>1,271</b>	<b>39,106</b>
<b>Restricted Funds</b>						
Aung San Suu Kyi Summer School	6	-	-	-	-	6
Burma Exchange Programme	11	-	-	-	-	11
Italian Pavia Exchange Programme	18	-	-	-	-	18
Bursaries	293	66	(16)	-	8	351
Capital projects fund	109	-	(30)	-	-	79
Career development fellowships	139	127	(20)	-	-	246
China Studies building	-	1	(1)	-	-	-
College prizes	18	-	(3)	-	-	15
Fellowships	1	1	-	-	-	2
Lecture series	37	-	-	-	-	37
Refurbishment and development of buildings	19	29	(2)	-	-	46
Scholarships	81	189	(35)	-	-	235
Legacy -Student Support	1,026	10	(25)	-	17	1,028
Futures Project	1,396	562	-	-	-	1,958
<b>Total Restricted Funds - College</b>	<b>3,154</b>	<b>985</b>	<b>(132)</b>	<b>-</b>	<b>25</b>	<b>4,032</b>
Restricted funds held by subsidiaries	-	-	-	-	-	-
<b>Total Restricted Funds - Group</b>	<b>3,154</b>	<b>985</b>	<b>(132)</b>	<b>-</b>	<b>25</b>	<b>4,032</b>
<b>Unrestricted Funds</b>						
Designated funds	2,317	47	(59)	-	79	2,384
General funds	28,793	11,450	(12,731)	1,069	1,773	30,354
Pension Reserve	(1,098)	-	(1,364)	-	-	(2,462)
<b>Total Unrestricted Funds - College</b>	<b>30,012</b>	<b>11,497</b>	<b>(14,154)</b>	<b>1,069</b>	<b>1,852</b>	<b>30,276</b>
Unrestricted funds held by subsidiaries	-	-	-	-	-	-
<b>Total Unrestricted Funds - Group</b>	<b>30,012</b>	<b>11,497</b>	<b>(14,154)</b>	<b>1,069</b>	<b>1,852</b>	<b>30,276</b>
<b>Total Funds</b>	<b>70,728</b>	<b>13,860</b>	<b>(14,322)</b>	<b>-</b>	<b>3,148</b>	<b>73,414</b>

**18 FUNDS OF THE COLLEGE DETAILS**

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

**Endowment Funds - Permanent:**

Bursaries, Fellowships and Lectureships,  
Library, Prizes, Scholarships

A consolidation of gifts and donations where income, but not capital, can be used for the payment of bursaries, the cost of fellowships and lectureships, the running costs of the library and for student prizes and scholarships.

General Educational Purposes

Capital balance of past donations where related income, but not the original capital, can be used for the general educational purposes of the charity

Other purposes

A consolidation of gifts and donations where income, but not capital, can be used for a variety of educational purposes such as lectures and student support.

**Endowment Funds - Expendable:**

Bursaries, Fellowships and Lectureships,  
Library, Chapel, History, Scholarships

A consolidation of gifts and donations where either income, or income and capital, can be used for the payment of bursaries, the cost of fellowships and lectureships, the running costs of the library and for student prizes and scholarships.

General Educational Purposes

Capital balance of past donations where related income, or income and capital, can be used for the general educational purposes of the charity

Other purposes

A consolidation of gifts and donations where either income, or income and capital, can be used for a variety of educational purposes such as travel grants, prizes and student support.

**Restricted Funds:**

Student support

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

Refurbishment and development of buildings  
Futures Project

A consolidation of gifts and donations where both income and capital can be used for the refurbishment and development of buildings.

Capital projects fund

A consolidation of gifts and donations which are being released into unrestricted funds in line with the depreciation of the project that they were raised to finance.

China Studies building

A consolidation of gifts and donations where both income and capital can be used to finance the construction of a China studies building. As the building was completed in 2015 further donations are transferred to unrestricted funds.

Career development fellowships

A consolidation of gifts and donations where both income and capital can be used for career development fellowships.

Lecture series

A gift to be used to provide a series of lectures over a 10 year period.

Bursaries, Scholarships, Fellowships

A consolidation of gifts to be used to fund bursaries, scholarships and fellowships

Aung San Suu Kyi Summer School

A consolidation of gifts to fund a summer school for Burmese students

College Prizes

A consolidation of gifts to fund a named prize in Chemistry

Futures Project

A project to raise funds for the redevelopment of the site around the Wolfson Building in the North West corner of the College site

**Designated Funds**

Bursaries, Fellowships and Lectureships,  
Scholarships

Unrestricted Funds allocated by the Fellows for future costs of bursaries fellowships and lectureships and scholarships.

General educational purposes

Unrestricted Funds allocated by the Fellows for future general educational purposes of the charity

Other purposes

Unrestricted Funds allocated by the Fellows for a variety of future costs such as the gardens, the library, prizes and student hardship.

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

**St Hugh's College**  
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**19 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	<b>2019 Total £'000</b>
Tangible fixed assets	26,390			<b>26,390</b>
Other investments	56,733	-	39,106	<b>95,839</b>
Net current assets	4,681			<b>4,681</b>
Long term liabilities	(51,037)			<b>(51,037)</b>
Defined benefit pension scheme liability	(2,462)			<b>(2,462)</b>
	<u>30,276</u>	<u>4,032</u>	<u>39,106</u>	<u><b>73,411</b></u>
	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	<b>2018 Total £'000</b>
Tangible fixed assets	27,153			<b>27,153</b>
Other investments	51,311	-	37,562	<b>88,873</b>
Net current assets	8,920			<b>8,920</b>
Long term liabilities	(53,120)			<b>(53,120)</b>
Defined benefit pension scheme liability	(1,098)			<b>(1,098)</b>
	<u>33,166</u>	<u>-</u>	<u>37,562</u>	<u><b>70,728</b></u>

**St Hugh's College**  
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**20 TRUSTEES' REMUNERATION**

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

Trustees of the College fall into the following categories:

Head of House  
 Professorial Fellow  
 Official Fellow  
 Fellow by Special Election  
 Research Fellow

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. These salaries are paid on external academic and academic-related scales and often are joint arrangements with the University of Oxford.

All Official Tutorial Fellows are eligible for a Housing Allowance, which is disclosed within the salary figures below.

The College has a Remuneration Committee which makes recommendations to Governing Body on pay and benefits which are outside of external scales. The composition of the Remuneration Committee is set out in pages 2-4 of the section, Governing Body, Officers and Advisers.

**Remuneration paid to Trustees**

Range	Number of Trustees/Fellows	2019	Number of Trustees/Fellows	2018
		Gross remuneration, taxable benefits and pension contributions £		Gross remuneration, taxable benefits and pension contributions £
£3,000-£3,999			2	8,046
£5,000-£5,999	1	5,386		
£9,000-£9,999			2	20,339
£10,000-£10,999			1	10,856
£11,000-£11,999	2	21,458	1	12,273
£13,000-£13,999	1	13,314	1	13,664
£20,000-£20,999	1	20,387	2	41,915
£21,000-£21,999	1	21,242	1	22,369
£22,000-£22,999	3	67,061	15	342,261
£23,000-£23,999	15	349,028	1	24,277
£24,000-£24,999	3	72,098		
£25,000-£25,999			2	51,350
£27,000-£27,999			1	27,787
£29,000-£29,999	1	29,395		
£43,000-£43,999			1	43,894
£44,000-£44,999			1	44,832
£45,000-£45,999	1	45,318		
£47,000-£47,999	1	47,966	1	47,635
£48,000-£48,999	1	48,728		
£50,000-£50,999	1	50,633		
£54,000-£54,999			5	275,785
£55,000-£55,999			1	55,921
£56,000-£56,999	5	282,226		
£57,000-£57,999	1	57,094		
£58,000-£58,999	1	58,207		
£59,000-£59,999			1	60,031
£61,000-£61,999			1	61,930
£68,000-£68,999	1	68,661		
£114,000-£114,999	1	114,639	1	115,457
£134,000-£134,999	1	134,259	1	135,984

12 Trustees are not employees of the College and do not receive remuneration.

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

**Other transactions with Trustees**

No Trustee claimed expenses for any work performed in discharge of duties as a Trustee.

See also note 27 Related Party Transactions

**Key management remuneration**

The total remuneration paid to key management was £499k (2018: £466k).



**21 PENSION SCHEMES**

**Pension Scheme Provisions**

The college is a member of the Universities Superannuation Scheme (USS) and University of Oxford Staff Pension Scheme (OSPS), these are multi-employer pension schemes both of which are in deficit. St Hugh's College has recognised a provision for its commitments under the agreed deficit reduction plans for each scheme, in calculating these provisions St Hugh's College has estimated that salary expense will increase at 2.0% p.a. and the liability is discounted at a 15 year corporate bond rate of 2.50% (2017: 1.55%). A sensitivity analysis to changes in salary and discount rate changes is shown below.

**Pension Schemes**

The company participates in two principal pension schemes for its staff - the Universities Superannuation Scheme (USS) and the University of Oxford Staff Pension Scheme (OSPS). The assets of the schemes are each held in separate trustee-administered funds. USS and OSPS schemes are contributory mixed benefit schemes (i.e. they provide benefits on a defined benefit basis - based on length of service and pensionable salary and on a defined contribution basis - based on contributions into the scheme). Both are multi-employer schemes and the company is unable to identify its share of the underlying assets and liabilities relating to defined benefits of each scheme on a consistent and reasonable basis. Therefore, in accordance with the accounting standard FRS 102 paragraph 28.11, the company accounts for the schemes as if they were defined contribution schemes. As a result, the amount charged to the Income and Expenditure Account represents the contributions payable to the schemes in respect of the accounting period. In the event of the withdrawal of any of the participating employers in USS, the amount of any pension funding shortfall (which cannot be otherwise recovered) in respect of that employer will be spread across the remaining participating employers and reflected in the next actuarial valuation of the scheme.

However, in OSPS the amount of any pension funding shortfall in respect of any withdrawing participating employer will be charged to that employer.

The college has made available a National Employment Savings Trust for non-employees who are eligible under automatic enrolment regulations to pension benefits.

**Actuarial valuations**

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

	USS	OSPS
Date of valuation:	31/03/2017	31/03/2016
Date valuation results published:	28/01/2019	28/04/2017
Value of liabilities:	£67.5bn	£661m
Value of assets:	£60.0bn	£528m
Funding surplus / (deficit):	(£7.5bn) <sup>a</sup>	(£133m) <sup>b</sup>
Principal assumptions:		
• Investment return	CPI - 0.53% to CPI - 1.32 % pa	-
• Rate of interest (periods up to retirement)	-	'Gilts' + 1.2%pa
• Rate of interest (periods up after retirement)	-	'Gilts' + 1.2%pa
• Rate of increase in salaries	CPI + 2% pa	RPI + 1% pa
• Rate of increase in pensions	CPI pa	Average
Mortality assumptions:		
• Assumed life expectancy at age 65 (males)	24.5 yrs	22.4 yrs
• Assumed life expectancy at age 65 (females)	26.0 yrs	24.7 yrs
Funding Ratios:		
• Technical provisions basis	89%	80%
• Statutory Pension Protection Fund basis	72%	67%
• 'Buy-out' basis	48%	42%
• Estimated FRS 102 Total Funding level	77%	82%
Recommended employer's contribution rate (as % of pensionable salaries):	18% increasing to 24.2% by 01/04/2020	23% decreasing to 19% from 01/08/2017
Effective date of next valuation:	31/03/2018	31/03/2019

**21 PENSION SCHEMES (continued)**

a. The latest available complete actuarial valuation of the Retirement Income Builder section of the Scheme is at 31 March 2017 ("the valuation date"), which was carried out using the projected unit method. As at the year end a valuation as at 31 March 2018 was underway but not yet complete.

Key changes agreed include: for Final Salary section members, the benefits built up to 31 March 2016 were calculated as at that date using pensionable salary and pensionable service immediately prior to that date and going forwards will be revalued in line with increases in official pensions (currently CPI); all members accrue a pension of 1/75th and a cash lump sum of 3/75ths of salary each year of service in respect of salary up to a salary threshold, initially £55,000 p.a., with the threshold applying from 1 October 2016; member contributions were 8% of salary but will increase in stages from 1 April 2019 to a level of 11.7% from 1 April 2020; a defined contribution benefit for salary above the salary threshold at the total level of 20% of salary in excess of the salary threshold.

Further details about the benefits may be reviewed on USS' website, [www.uss.co.uk](http://www.uss.co.uk). For the period up to 1 April 2016 the employer deficit contribution was 0.7% p.a. of salaries based on the assumptions made. After allowing for those changes, the actuary established an employer contribution rate of 18% pa of salaries for the period from 1 April 2016 to 31 March 2019, 19.5% from 1 April to 30 September 2019, 22.5% from 1 October 2019 to 31 March 2020 and a long-term rate of 24.2%. On the assumptions made and with the salary threshold and defined contribution section implemented this gives rise to deficit contributions of at least 5% p.a. of salaries from 1 April 2020. At 31 March 2019 USS reported that the estimated funding deficit was £7.5bn (85% funded).

b. OSPS' actuarial valuation as at 31 March 2016 identified a required long-term employer contribution rate of 17.3% of total pensionable salaries, with a funding deficit of £133 m. The valuation results reflect a number of changes to benefits that were agreed following an Employers' consultation in early 2017, including from 1 April 2017 a change in indexation based on the average of RPI and CPI, from 1 October 2017 a defined contribution section for new entrants and from 1 April 2018 breaking the final salary link for certain members and increased employee contributions. The actuary has certified that the recovery plan should eliminate the deficit by 30 June 2027. The next triennial valuation is due with an effective date of 31 March 2019.

c. USS' actuary has assumed that the investment return is CPI – 0.53% in year 1, decreasing linearly to CPI – 1.32% over 10 years, CPI + 2.56% from year 11 reducing linearly to CPI + 1.7% by year 21, remaining at CPI + 1.7%.

d. USS' actuary has assumed that general pay growth will be CPI + 2 in year 1, CPI + 2% in year 2 and thereafter. It is assumed that CPI is based on the RPI assumption (market derived price inflation of 3.6% p.a. less an inflation risk premium) less RPI/CPI gap of 1.0% p.a.

e. The total USS employer contributions include provisions for the cost of future accrual of defined benefits (DB) (net of member contributions to the DB section), deficit contributions, administrative expenses of 0.4% of salaries and from the implementation of the salary threshold the employer contribution towards defined contribution benefits including employer matching contributions and certain investment management costs relating to the DC section. The 2017 actuarial valuation was the fourth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical.

f. As noted above (note b), the OSPS employer contribution rate required for future service benefits in the defined benefit section alone is 17.3% of total pensionable salaries from 1 April 2018. The employer contribution rate was 23% from 1 August 2016 to 31 July 2017. It was agreed that employer contribution rate would be 19% for both defined benefits members and defined contributions members who join on or after 1 October 2017. Part of contribution for defined contribution members would be paid to the defined benefit section to cover the deficit recovery plan, the provision of ill-health and death-in service benefits and the expenses of administering the defined contribution section.

**Sensitivity of actuarial valuation assumptions**

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

USS		
Assumption	Change in assumption	Impact on USS liabilities
Initial discount rate	increase / reduce by 0.25%	decrease / increase by £3.3bn
Asset values	increase / reduce by 10%	decrease / increase by £6.0bn
RPI inflation	increase / reduce by 0.25%	increase / decrease by £3.3bn
Rate of mortality	more prudent assumption (mortality used at last valuation, rated down by a further year)	increase by £1.6bn

21 PENSION SCHEMES (continued)

OSPS		
Assumption	Change in assumption	Impact on OSPS technical provisions (from 80% funded at 31/03/2016)
Valuation rate of interest	decrease by 1.0%	68%
Rate of pension increases	increase by 1.0%	69%
Life expectancy	more prudent assumption (life expectancy increases by 3 years)	72%

**Deficit Recovery Plans**

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

	OSPS	USS
Finish Date for Deficit Recovery Plan	30/06/2027	31/03/2031
Average staff number increase	0%	0%
Average staff salary increase	2.00%	2.00%
Average discount rate over period	1.40%	1.75%
Effect of 0.5% change in discount rate	£1.4m	£5.8m
Effect of 1% change in staff growth	£2.9m	£12.5m

A provision of £2.461m has been made at 31 July 2019 (2018: £1.275m) for the present value of the estimated future deficit funding element of the contributions payable under these agreements, using the assumptions shown. The significant increase in deficit contributions has given rise to a substantial increase in the deficit provision.

Included in other creditors are pension contributions payable of £nil (2018: £nil).

The 2018 actuarial valuation was finalised after the year end which indicated a shortfall of £3.6 billion.

Since the year end, following the completion of the 2018 actuarial valuation, a new deficit recovery plan has been agreed. This amends the existing deficit recovery plan as set out in the 2017 valuation Schedule of Contributions. This new plan requires deficit payments of 2% of salaries from 1 October 2019 to 30 September 2021 and then payments of 6% of salaries from 1 October 2021 to 31 March 2028. As at 31 July 2019 with the revised discount rate relevant to the length of the scheme of 1.30% and assuming all other assumptions used to calculate the provision remain unchanged, this would have resulted in a revised provision of £1.617m, a decrease of £661k from the current year end provision and a decrease in the cost in the Consolidated Statement of Financial Activities from £1.076m to £415k.

**St Hugh's College**  
**Notes to the financial statements**  
**For the year ended 31 July 2019**

**21 PENSION SCHEMES (continued)**

**Pension charge for the year**

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

<b>Scheme</b>	<b>2019 £000's</b>	<b>2018 £000's</b>
Universities Superannuation Scheme	<b>1,458</b>	378
University of Oxford Staff Pension Scheme	<b>570</b>	272
Other schemes – contributions	<b>11</b>	10
<b>Total</b>	<b>2,039</b>	660

**22 TAXATION**

The College is able to take advantage of the tax exemptions available to charities from taxation in respect of income and capital gains received to the extent that such income and gains are applied to exclusively charitable purposes. No liability to corporation tax arises in the College's subsidiary companies because the directors of these companies have indicated that they intend to make donations each year to the College equal to the taxable profits of the company under the Gift Aid scheme. Accordingly no provision for taxation has been included in the financial statements.

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

	<b>2019 Group £'000</b>	<b>2018 Group £'000</b>
<b>Net income/(expenditure)</b>	<b>2,686</b>	5,454
Elimination of non-operating cash flows:		
Investment income	<b>(2,779)</b>	(2,143)
(Gains)/losses in investments	<b>(3,148)</b>	(2,329)
Endowment donations	<b>(609)</b>	(1,619)
Depreciation	<b>1,152</b>	1,171
(Surplus)/loss on sale of fixed assets	-	-
Decrease/(Increase) in stock	<b>(7)</b>	11
Decrease/(Increase) in debtors	<b>1,065</b>	(459)
(Decrease)/Increase in creditors	<b>(233)</b>	660
(Decrease)/Increase in provisions	-	-
(Decrease)/Increase in pension scheme liability	<b>1,364</b>	(177)
<b>Net cash provided by (used in) operating activities</b>	<b>(509)</b>	569

**24 ANALYSIS OF CASH AND CASH EQUIVALENTS**

	<b>2019 £'000</b>	<b>2018 £'000</b>
Cash at bank and in hand	<b>5,665</b>	9,079
<b>Total cash and cash equivalents</b>	<b>5,665</b>	9,079

**25 FINANCIAL COMMITMENTS**

Minimum lease payments under non-cancellable operating lease commitments in respect of equipment for the 2019 and 2018 financial year on leases expiring:

	<b>2019 £'000</b>	<b>2018 £'000</b>
Within one year	<b>10</b>	6
Between two and five years	<b>20</b>	8
Over five years	-	-
	<b>30</b>	14

**St Hugh's College**  
**Notes to the financial statements**  
**For the year ended 31 July 2019**

**26 CAPITAL COMMITMENTS**

The College had contracted commitments at 31 July for future capital projects totalling £0k (2018 - £0k).

**27 RELATED PARTY TRANSACTIONS**

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

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

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

	<b>2019</b>	2018
	<b>£'000</b>	£'000
Total College's share of current net book value of properties owned jointly with Trustees		
Professor G Garnett	<b>51</b>	51
Professor K Plunkett	<b>220</b>	216
Professor J Martin	<b>204</b>	200
Dr N Perkins	<b>208</b>	241
Professor C Capelli	<b>224</b>	220
Professor C Stevens	<b>223</b>	219
Dr J Parkin	<b>210</b>	207
Professor R Perera - Salazar	<b>173</b>	170
Professor D Doyle	<b>169</b>	166
Dr T Sanders	<b>155</b>	153
	<b><u>1,837</u></b>	<u>1,843</u>

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

**28 CONTINGENT LIABILITIES**

There are no contingent liabilities requiring disclosure (2018: £Nil)

**29 EVENTS AFTER THE REPORTING PERIOD**

As set out in Note 21 in respect of the USS pension scheme, a new Schedule of Contributions based on the 2018 actuarial valuation has been agreed. This results in a decrease of £661k in the provision for the USS pension, which would result in a revised year end provision of £956k.