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UNIVERSITY COLLEGE OXFORD

Annual Report and Financial Statements

Year ended 31 July 2019

Charity No. 114125

UNIVERSITY COLLEGE
Annual Report and Financial Statements
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UNIVERSITY 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 trustees during the year or subsequently are detailed below. During the year, the main operational activities of the Governing Body were carried out through five committees. The current membership of these committees is shown against each Fellow according to this reference:

- (1) Academic Committee
- (2) Finance Committee
- (3) General Purposes Committee
- (4) Premises Committee
- (5) Development Committee

| | | (1) | (2) | (3) | (4) | (5) |
|---------------------------|---------------------------|-----|-----|-----|-----|-----|
| The Master, Sir I M Crewe | | • | • | • | • | • |
| Professor M J Smith | Retired 30 September 2018 | | | | | |
| Professor R J Nicholas | | | • | | • | |
| Professor A W Roscoe | | | • | | | |
| Professor J F Wheater | | | • | | | • |
| Dr K L Dorrington | | | | | | |
| Professor T W Child | | | • | | | |
| Dr C J Pears | | • | | | | |
| Professor N Woods | | | | | | • |
| Dr S Collins | | | | • | • | |
| Professor G M Henderson | | | | | | • |
| Professor P D Howell | | | • | | | |
| Dr C J Holmes | | | | | | |
| Professor J Hein | | | | | | |
| Professor P Jezzard | | | • | | | |
| Professor A Ker | | | • | | | |
| Dr W Allan | | | | | | |
| Professor T Povey | | | | | | |
| Professor O Zimmer | | | | | | |
| Revd Dr A Gregory | | | | • | • | |
| Professor D Logan | | | | | | |

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Governing Body, Officers and Advisers

Year ended 31 July 2019

| | | (1) | (2) | (3) | (4) | (5) |
|---------------------------|----------------------------------------|-----|-----|-----|-----|-----|
| Dr L Kallet | | | | • | | |
| Dr B Jackson | | • | | | | • |
| Professor N Yeung | | | | | | |
| Professor M Benedikt | | | | | | |
| Professor S C Tsang | | | | | | |
| Professor T Sharp | | • | | | | |
| Dr M Smith | | | • | | | • |
| Professor N Halmi | | • | | | | |
| Professor A Johnston | | | | | | |
| Professor S Mavroeidis | | • | | | | |
| Dr P Jones | | | | | | |
| Professor J Rowbottom | | | | | | |
| Dr M Galpin | | | | • | | |
| Dr K Milewicz | | • | | | | |
| Dr N Nikolov | | | | | | |
| Professor J Benesch | | | | | | |
| Dr C Leaver | | | | | | |
| Professor Barend ter Haar | Resigned 30 September 2018 | | | | | |
| Mr W A Roth | Resigned 31 st January 2019 | | | | | |
| Dr L Hansen | Resigned 25 th August 2019 | | | | | |
| Mrs A Unsworth | | | • | • | • | • |
| Dr A Bell | | • | • | • | | • |
| Professor C Terquem | | • | | | | |
| Dr M Barnes | | | | • | | |
| Dr I Jacobs | | | | | | |
| Dr S Hansen | Resigned 30 th June 2019 | | | | | |
| Dr S Smith | | | | | | |
| Professor K O'Brien | | | | | | |
| Dr P Rebeschini | | • | | | | |
| Dr A I Grant | | | • | | • | • |
| Professor G Screatton | | | | | | |

UNIVERSITY COLLEGE

Governing Body, Officers and Advisers

Year ended 31 July 2019

| | | (1) | (2) | (3) | (4) | (5) |
|-----------------------|------------------------------------------|-----|-----|-----|-----|-----|
| Dr J E S Moshenska | | | | | | |
| Professor J D Hamkins | Appointed 4 th September 2018 | | | | | |
| Professor Ruth Chang | Appointed 23 rd January 2019 | | | | | |
| Mr Gordon Cox | Appointed 1 st May 2019 | | • | | | • |
| Dr Richard Ashdowne | Appointed 1 st October 2019 | • | | | | |
| Professor R Rickaby | Appointed 23 rd October 2019 | | | | | |
| Professor A Smith | Appointed 23 rd October 2019 | | | | | |
| Professor T Y Tan | Appointed 23 rd October 2019 | | | | | |
| Dr R Chitnis | Appointed 23 rd October 2019 | | | | | |
| Dr M Schentuleit | Appointed 23 rd October 2019 | | | | | |

The College is also guided and governed, in the sense that they report into the Governing Body, by three further committees, namely: Audit Committee; Remuneration Committee and Investment Committee. As these committees correctly and additionally comprise additional external membership, i.e., non-fellowship members, their complement is listed below under Structure, Governance and Management.

COLLEGE SENIOR STAFF

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

| | |
|--------------------------------------------------------------------------------------------------|----------------------|
| Sir Ivor Crewe | Master |
| Dr Andrew Grant | Finance Bursar |
| Angela Unsworth | Domestic Bursar |
| Dr Andrew Bell | Senior Tutor |
| Gordon Cox (from 1 st May 2019) William Roth (until 31 st January 2019) | Development Director |

The College has announced its appointment of Baroness Valerie Amos as Master-Elect, who will take up the post of Master for the 2020/2021 financial year.

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Governing Body, Officers and Advisers

Year ended 31 July 2019

COLLEGE ADVISERS

Investment Managers

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

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

Allianz Global Investors GmbH
199 Bishopsgate
London, EC2M 3TY

Chartered Surveyors

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

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

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

Auditor

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

Bankers

HSBC
65 Cornmarket Street
Oxford, OX1 3HY

Solicitors

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

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

College address

High Street,
Oxford OX1 4BH

E- Links



Web Home Page: www.univ.ox.ac.uk
Twitter: @UnivOxford
Pinterest: uk.pinterest.com/UnivOxford

Facebook: facebook.com/universitycollegeoxford
YouTube: <http://bit.ly/univyoutube>
Instagram: www.instagram.com/univcollegeoxford/

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Report of the Governing Body

Year ended 31 July 2019

REPORT OF THE GOVERNING BODY

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

REFERENCE AND ADMINISTRATIVE INFORMATION

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

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

The names of all Members of the Governing Body at the date of this report and of those in office during the year, together with details of the senior staff and advisers of the College, are given on pages 2 to 5.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

The College is governed by its statutes which are made from time to time by order of Her Majesty in Council in accordance with the Royal Charter of 1573, and the Universities of Oxford and Cambridge Act 1923. New statutes were approved by Her Majesty on 13 July 2016. The variety of new regulations that are necessary to enable the implementation of the new statutes were subsequently finalised and came into effect with the new statutes on 1 February 2018. These new statutes replace and supercede in their entirety the previous ones and follow a comprehensive review of the College’s governance and administrative arrangements. In particular, the governing documents formally states the College’s charitable object, identify the College’s charity trustees, establish appropriate procedures for managing conflicts of interest and introduce a Remuneration Committee to oversee trustee benefits, including remuneration and other benefits provided to members of the Governing Body and Fellows of the College.

Governing Body

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

New members of the Governing Body are elected as a consequence of their appointment to a Tutorial, Professorial or other relevant fellowship.

The Governing Body determines the ongoing strategic direction of the College and regulates its administration and the management of its finances and assets. It meets regularly under the chairmanship of the Master and is advised by the five main operational committees and the Audit, Investment and Remuneration Committees.

Recruitment and training of Members of the Governing Body

New members of the Governing Body are recruited following interview and selection procedures for the associated academic, administrative, or other post and inducted into the workings of the College, including Governing Body policy and procedures, by the Senior Tutor or Master (as appropriate) who provides them with notes of guidance and oral advice.

Members of the Governing Body are provided with trustee training by external advisers and college officers.

Remuneration of Members of the Governing Body and Senior College Staff

Members of the Governing Body are primarily academic Fellows and are also teaching and research employees of the College and/or the University and receive no remuneration or benefits from their trusteeship of the College. Those trustees who are also employees of the College only receive remuneration for their work

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Report of the Governing Body

Year ended 31 July 2019

as employees of the College, which is set based on the advice of the College's Remuneration Committee. Remuneration Committee members are the Master, Finance Bursar, Senior Tutor and a Fellow who is not in receipt of remuneration from the College. In addition, three external members comprise the standing complement. The voting structure is such that the external members may not be outvoted by College members.

Where possible, remuneration is set in line with that awarded to the University's academic staff, and based on nationally agreed pay scales. The remuneration of senior College staff is set by reference to nationally agreed pay scales and local conditions (Note 17).

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

Organisational management

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

- The Academic Committee meets up to four times a term and discusses all aspects of academic policy and practice, including academic appointments, applications for sabbatical leave and special leave, teaching arrangements and quality assurance and undergraduate and graduate admissions and performance. The Committee also keeps abreast of academic developments in the central University and by liaison with other colleges through the Conference of Colleges.
- The Finance Committee discusses all aspects of financial policy and practice for the College, making recommendations to the Governing Body on all of the financial affairs of the College, whether generated by the resources of the Estates Bursary, or financial implications arising from other committees' activities. It may monitor reports from the Remuneration Committee and the Investment Committee. The Finance Committee meets typically three times a term.
- The General Purposes Committee considers a very broad range of operational and functional issues and is central to the smooth running of the operation and administration of the College.
- The Premises Committee considers and prioritises the works expended on the functional premises of the College, ensuring that the right new functional premises are enhanced by candidate capital projects, and the fabric of the College is properly and safely maintained through its programme maintenance (operating expenditure) projects.
- The Development Committee considers the College's fundraising initiatives and its ongoing links with Old Members of the College, which is so critical to the College's increasing capacity to pursue its charitable higher education objects.

The day-to-day running of the College is delegated to the senior officers listed on page 4 above, supported by their staff in the offices of the Domestic Bursary, Treasury and Works Department, Academic Office and Development Office.

The College has also constituted other committees to develop policies and make recommendations directly to the Governing Body as follows:

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Report of the Governing Body

Year ended 31 July 2019

- The Remuneration Committee, which makes authoritative recommendations concerning main salary scales and other matters involving the remuneration of persons who are also trustees. The external members are currently Hugh Blaza, Helen Morton and Michael Harloe.
- The Investment Committee, which considers the College's investment strategy for its endowments, and makes recommendations for its implementation. This committee includes five expert external members who are John Authers, Tim del Nevo, Gavin Ralston, James Anderson and Charles Mason. The Governing Body appointed Dr Johannes Fritz as a member of the Investment Committee in June 2019 and he will start serving in the autumn of 2019. The Investment Committee and the Finance Committee may also meet jointly once a year.
- The Audit Committee supports the Trustees with critical additional perspectives on audit and risk management matters. The expert external members, who provide essential independence by virtue of being neither trustees nor employees of the College are Minesh Shah and Gilly Lord. The Committee reviews the statutory accounts and the Annual Report; gathers perspectives on the internal and external risks to the College achieving its objectives, and reviews the management responses to those risks. The Committee met on a single occasion in 2018-19 and all the above items were covered. The Chair and College members of the Audit Committee who were subject to change during the year were as follows:

Bill Roscoe (Chair) until 30th September 2018, with Bill Child (Chair) from 1st October 2018,

Andrew Ker until 30th September 2018, with Robin Nicholas from 1st October 2018,

Structure and relationships

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

OBJECTIVES AND ACTIVITIES

Charitable Objects and Aims

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

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

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

Activities and objectives of the College

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

Our key objectives for the year included:

- i. To continue to develop and enhance the quality of our tutorial provision;
- ii. To enhance the performance of our students in public examinations through the quality of the teaching and the provision of pastoral support and by selecting those who will thrive most in the academic environment of the collegiate University;

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Report of the Governing Body

Year ended 31 July 2019

- iii. To advance research through the filling of Junior Research Fellowships and by providing the other Fellows of the College with research time through the provision of sabbatical and research leave and research funding;
- iv. To strengthen our links with the secondary education sector and to increase our efforts to attract applications from academically outstanding students through our schools liaison strategy;
- v. To continue to provide bursaries and scholarships to students of limited financial means and to develop further bridging support to facilitate the transition from secondary to tertiary education and to help in particular those from educationally disadvantaged backgrounds;
- vi. To continue a targeted programme of access and recruitment activities;
- vii. To modify our existing bridging programme providing which provides bespoke academic support for offer-holders from the most disadvantaged backgrounds in the summer immediately prior to their beginning an undergraduate degree at the College such that it operates effectively alongside the University's new initiatives in this area;
- viii. To continue our efforts to attract the most outstanding graduate students and seek to provide fully funded studentships for as many of them as possible;
- ix. To enhance our support for the clinical part of the Medical Sciences degree.

ACHIEVEMENTS AND PERFORMANCE

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

| Degrees Awarded | 2018-19 | 2017-18 |
|-----------------------------------------------|---------|---------|
| Undergraduate | 100 | 99 |
| 1 st & Upper 2 nd Class | 94% | 91% |
| Taught Graduate | 26 | 36 |
| Research Graduate | 34 | 50 |

The total of scholarships, prizes, grants, bursaries and hardship awards in 2019 was £1,171k (2018: £1,073k) including Oxford Bursary payments (Note 6). In addition, further awards totalling £92k (2018: £84k) were made by the Univ. Old Members' Trust and specific Old Members to students of the College.

The College has continued to expand its provision of graduate studentships in 2018-19 using newly endowed studentship funds leveraged by the University's Graduate Scholarship Matched Fund, and by linking College funds with Departmental and Divisional funding, to create a large number of fully funded graduate studentships.

| % Receiving Awards | 2018-19 | 2017-18 |
|--------------------|---------|---------|
| Graduates* | 48% | 39% |
| Undergraduates* | 24% | 22% |

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

Dropout rates at the College continue to be low, with a three year average of 1.61% compared to the national average of 7.5% in 2016-17 (Higher Education Statistics Agency ("HESA") Non-continuation following year of entry 2015-16). For interpretational convenience, the number of undergraduates for the 2018-19 datum is 3 out of 115.

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Year ended 31 July 2019

| | 2018-19 | 2017-18 |
|-----------------------------------------------------------------------------------|---------|---------|
| % of Undergraduates that do not continue their course after the first year | 2.61% | 0.84%* |

*2017-18 number is restated for a student withdrawing in 2018-19 following a period of suspension.

The College has continued its ambitious schools liaison activity. During the academic year September 2018 to August 2019 the College carried out over 100 schools liaison activities and events both in College and out in schools. Visits have been made by the Schools Liaison and Access Officer ('SLAO'), by undergraduate 'Student Ambassadors', and by tutorial staff. The College's programme of five large Year 12 academic taster days continue to be popular. The College's tutors offered taster lectures over five full days spread across Hilary and Trinity terms, giving the opportunity for over 270 talented students to visit the College and engage with subjects they are considering for University.

Alongside 'face-to-face' visits the College's digital outreach continues to encourage 'super-curricular' learning.

The College's Student Ambassador Scheme continues with over 65 on the scheme. The team are given two training sessions and many of them go on to support inbound visits with tours, Q&As and academic tasters, and make their own independent visits to schools.

Funds from the OMT Student Support and Access Committee, in addition to specific donations supporting our work with Stoke-on-Trent, have been set aside to provide funding support for schools, students or teachers making visits to us. Schools were offered support for travel costs and/or teacher cover costs if they are from deprived areas, as well as being either a) schools we want to particularly maintain links with, or b) if they have had very little contact with Oxford previously. In the 2018-19 academic year, travel contributions were given to 14 schools attending a school visit, 5 individual students attending a study day, and one individual teacher attending our teachers' conference.

Research is a duty of all academic fellows. The College further supports research by granting sabbatical leave and special leave to fellows for specific research activities. The College continues to employ outstanding researchers at an early stage of their careers. In 2019 there were 8.9 FTE junior researchers employed by the College (2018: 7.1 FTE). The College also specifically allocated £121k (2018: £125k) for the purchase of books/equipment and conference attendance to support both junior and senior fellows in their research efforts.

FINANCIAL REVIEW

Sources and Uses of Funds

The College has continued its investment in establishing student residences to directly enhance its pastoral provision in support of its academic delivery. Preeminent amongst its investment in such functional premises is the proposed scheme to develop the land at 115 Banbury Road, which is conjoint with the College's existing properties at its Staverton Road annexe. The development has the potential to add up to 150 new bed spaces and associated ancillary facilities, set in carefully considered landscaping that will be consistent with the expectations of the Victorian Suburb Conservation Area. The start of this financial year saw the completion of 'options appraisal' studies to assure the College of the viability of the design concept favoured in the architect's competition in 2017. In December 2018, the College approved further investment into pre-project definition - so-called RIBA stage 2 and 3 works – that will lead to a planning application submission.

The University College North Oxford development, or 'Univ North', will be the largest single increment to the College's functional estates since the latter half of the 17th century. The works will be conducted by the College's wholly owned subsidiary Univ Development Company Ltd ('UnivDevCo') as its design and build contractor. Construction start is expected to be early 2021.

A total of £2.6m (2018: £4.4m) was spent on capital projects.

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The College's deployment of its bonds and Senior Note proceeds continues (a total holding of £50 million of long-dated debt). These funds are being predominantly invested in commercial property and quoted equities, with the aim of building up value from new assets and to provide long term support for College operations. In this regard, the College has approved the adoption in principle of a move to a total returns investment policy, and intends to set aside one that sought income generating assets exclusively once the operationalising policies appropriate for its robust and sustained introduction have been agreed.

Investment returns were strong although slightly down on the prior year due to the evident turbulent markets, both globally and locally, with a total return on the College's investments, after fees and interest on the College's bonds, 6.4% (2018: 8.3%). Gains on investments totalled £4.5m (2018: £6.2m).

Development Activity

Donations and legacies recognised in the accounts this year total £3.7m (note 2) (2018: £3.6m) with £2.7m of new money raised as new pledges to be fulfilled in the year or later years, along with in-year commitments made and paid. £700k is provided towards student support, £975k towards academic positions, £419k towards capital projects and £618k towards other objectives.

The Annual Fund secured receipts from 1,850 donors and a participation rate of 26%, passing again one million pounds, the final figure of £1,040k. The College ran its first ever Giving Day, which was called "Day for Univ". This initiative attracted 306 donations, of which 40 were first time donors to the College. Through 2018/19 the College managed and helped to organise 40 events around the world. These were hosted and organised by fellows, staff and volunteers, and strongly supported with 1,352 Old Members attending. The College is fortunate to have a sizeable and generous community of donors and volunteers.

The Oxford Thinking Campaign has come to a successful completion with receipts of £61 million to the College over the life of the campaign with 67% of the College's Old Members and friends contributing.

Over the coming year, the focus of the Development Office will be on fundraising for Univ North and global activity associated with the change of Master.

Reserves Policy

The College's reserves policy is to maintain sufficient free reserves to enable it to meet its short-term financial obligations, including the semi-annual payments of interest on the bonds and Senior Note (see note 13), in the event of an unexpected revenue shortfall. This liquidity buffer, comprising 3 months of operating expenditures, allows the College to be managed efficiently and provides assurance of uninterrupted services. The College's free reserves as at 31 July 2019 were on target at £3.7m.

Total Funds

Total funds of the College at the year-end amounted to £211.7m (note 14) (2018: £206.9m). This includes endowment capital of £134.4m (2018: £132.7m), unspent restricted income funds totalling £12.3m (2018: £11.7m) and unrestricted funds of £64.9m (2018: £62.5m). The unrestricted funds comprise £54.7m (2018: £52.3m) representing the book value of tangible fixed assets less associated funding arrangements, designated funds amounting to £6.5m (2018: £5.9m) and the College's general reserve of £3.7m (2018: £4.3m).

Details of the funds held for educational and research purposes are set out in note 15.

Events after the Reporting Period

As set out in Note 18 in respect of the USS pension scheme, a new Schedule of Contributions based on the 2018 actuarial valuation has now been agreed after period close. This results in a decrease of £870k in the provision made at financial year end of £2,116k for the obligation to fund the deficit on the USS pension scheme. This adjustment will be reflected in the College's financial statements for the year ended 31 July 2020.

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Report of the Governing Body

Year ended 31 July 2019

Risk Management and Internal Controls

The College has ongoing processes for identifying, evaluating and managing the principal risks and uncertainties faced by the College in undertaking its activities. When it is not able to address risk issues using internal resources, the College takes advice from experts external to the College with specialist knowledge. Policies and procedures within the College are reviewed by the relevant College committee. Financial risks are assessed by the Finance Committee and investment risks are monitored by the Investment Committee. The Domestic Bursar reviews health and safety issues with other departmental heads. Training courses and other forms of career development are available to members of staff to enhance their skills in risk-related areas.

The Governing Body has ultimate accountability for managing all risks faced by the College. It has reviewed the processes in place for managing risk and the identified principal risks to which the College is exposed and has concluded that sufficiently robust systems are in place to manage these risks. The Audit Committee's duties include monitoring the effectiveness of the College's internal management controls and risk management systems.

Risks are reviewed under the headings of: Governance; Operational; Financial; External and Compliance. The approach to managing risks is as follows:

Governance – the College has formal committees for policy development and making recommendations to the Governing Body for final approval. These committees were reaffirmed in February 2018 following the ratification and formal adoption of revised Regulations to operate under the new, Privy Council approved Statutes.

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

Financial – the Governing Body is regularly presented financial data having been developed and scrutinised by the Finance Committee. Appropriate liquidity is maintained within the endowment assets to address existential risks. Insurances are extensive and are reviewed annually. Indeed the insurance regime came under additional and welcome scrutiny in the year with a change of insurer from RSA to a combination of Aviva and Ecclesiastical. The complete review of the insurance scope (to assure the new contracts) and the subsequent close study of College premises insurance risk by Ecclesiastical before underwriting the risk were beneficial. The Investment Committee, which also includes external members, meets at least annually with the Finance Committee to review plans and performance.

External – the Governing Body is aware of the changing landscape and the challenges of delivering academic excellence during periods of uncertainty. Many of the fellowship are jointly employed with Oxford University. While student numbers vary year on year, the College has the flexibility and the resources to manage robustly over the short and medium term.

Compliance– Health and Safety compliance continues with management attention, and fire risk assessments have been reviewed. The College's statutory Data Protection Officer, under EU General Data Protection Regulations, changed during the year although the handover was seamless having been contracted out to the head of data protection, Mr Simon Buchanan, of ClearComm, which is part of Moore Kingston Smith. Key management receive regular training and advice on compliance issues in their areas of responsibility.

The College's management processes strive to let the risk assessment drive the management action. In this context, all risks may be broadly ranked:

- a. existential risks
- b. risks to the College's 'licence to operate' and
- c. performance risks.

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Some risks are enduring or ever present. In contrast, some risks are emerging, short term or in the moment, either through some external step-change, or from a material change in College direction or initiative, such as embarking on a material project. These are discussed in more detail later.

First, the enduring risks are characterised by the need for constant and progressive management to enhance the College's processes. Their potential impact and how that risk is managed are set out in the table below:

| Title | Enduring Risk | Potential Impact | Management |
|--------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Health and Safety, including safeguarding. | Injury and harm to individuals. Failure to discharge full duty of care leads to fines and potentially criminal charges. | Loss of licence to operate, with close attention by regulatory authority and monitored remediation plan undertaken. | Risk is controlled through clear H&S policy setting expectations of conduct on all activities including hazardous ones, e.g., working at height servicing buildings; welfare processes for young people in College. Fire safety and H&S reviews assessed at least annually and on any change of operation. |
| Financial – Financial management | Loss of income from changes in student financing, research support, or returns from our endowment. | Inability to fund core activities. Inability to sustain College's endowment. | College engages with the University to sustain funds for teaching and research. Finance Committee regularly reviews and challenges the College's financial performance, and guides the modification of spending in the context of the Investment Committee's deliberations over investment plans and outturn performance. |
| Operational - Students | Failure to attract, recruit and admit sufficient appropriate students. | Loss of status as an elite academic institution; loss of academics and income leading to decline. | Maintain student numbers through realistic over-offering, alongside participation in Open Offer schemes, while working carefully with candidates to ensure that core talent is identified. Adherence in admissions to the University's common framework. Champion the Opportunity Programme and seek its extension to deepen widening participation and tap into the nation's talent pool that might not otherwise be accessed. |
| Operational - Students | Failure to teach and supervise students to an appropriate standard. | Student under-performance. Reputational and 'licence to operate' damage. | Regular monitoring of student progress and quality of teaching provision. Annual review of quality assurance measures by reference to Oxford University guidelines. |

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Year ended 31 July 2019

| Title | Enduring Risk | Potential Impact | Management |
|-----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Operational - Staff | Failure to recruit and retain high quality academic staff. | Poor teaching and care of students. Adverse effect on research reputation. | Joint appointment procedures followed by the College and Oxford University. Policies to support research and research leave. |
| Operational - Students | Substandard support for students with disabilities. | Failure of affected students to progress satisfactorily. | Provision of services for students with disabilities is supported by a dedicated Disability & Welfare Administrator. The College works closely with the University's Disability Advisory Service and has increased its welfare provision this year. |
| Compliance - Governance | Non-compliance with statutory requirements, such as data protection legislation or obligations arising from publicly listed bond, etc. | Charges and fines arising from unlawful acts, e.g., distribution of sensitive personal data, rising to criminal charges for fraud. | Close and regular contact with legal advisors. Particular responses implemented in the event of changes to legislation. Data protection governance considered for all College departments. Sensitive welfare and personal data is kept securely and access restricted. Retention schedules maintained. GDPR compliance supported by audit by the DPO. |
| External – Information and IT Provision | Physical damage to IT equipment and virus/malware attack. | Loss of key data and disruption to day to day operations. | Essential files stored on central servers with daily backups and continuous replication of the servers onto a dedicated disaster recovery site. Secure access to College network to computers that have been screened for virus/malware. |

The risks to the College's delivery and operation that are not enduring arise from time to time as a consequence of either an external event or particular choices or changes that the Governing Body may make. These risks may therefore emerge and persist for several periods before the material risk is managed away. In essence the impact of the emerging risk event may decline or the risk become permanent or enduring. This evolution reflects the dynamic nature of risk management. All external pressures, new legislation and similar, require attention and potentially deeper management action as the judgement develops on the scale of risk and its implications. Therefore, in addition to the 'Enduring' risks above and the wider number of lesser risks held on the risk register, there has been risk management effort delivered to manage certain 'Emerging' risks which include:

| Title | Emerging Risk | Potential Impact | Management |
|-----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Financial - North Oxford expansion (also see below) | The expansion of the College's north Oxford site and the material development (up to £50 million) creates the potential for financial distress. | Worst outcome includes enduring inability to fund core activities and/or sustain College's endowment. | Univ North development project has progressed towards a planning application submission of the College's 'masterplan'. It has been subject to its own rigorous risk management process from a financing perspective and a parallel risk management process for the project's management and external stakeholder interactions. Univ North has been a standing item for all Finance Committee and Governing Body meetings. Management action throughout has been to manage this risk. |

UNIVERSITY COLLEGE

Report of the Governing Body

Year ended 31 July 2019

| Title | Emerging Risk | Potential Impact | Management |
|-----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| External - BREXIT, and transition risks 2018 - 2022 | Loss of income as a result of changes in student financing, research support, or performance returns from the College's endowment. | Both short and long term impact on student intake; academic staff from Europe; funding and investment portfolio performance. | Government has confirmed EU students starting in the 2019/20 academic year will pay same fees as UK students, with the same access to support for the duration of their course. Maintaining research funding remains challenged, although active enquiries beyond Europe, e.g. China, are bearing fruit. The operational cash reserve, increased +25% from 2016 levels, remains robust. |
| External - EU General Data Protection Regulation | Step change in data protection regulatory regime effected on 25 May 2018, 'Enforcement Day'. | Risk of data breach possibly unchanged but consequences likely to be severe. Statutory reporting requirement to inform ICO within 72 hours of breach creates new regime. | 'Operation Sunshine', led by DP Coordinator, effected comprehensive programme of upgrading policies and notices, and promoting GDPR expectations through department heads and staff, and was stood down in the financial year. As reported elsewhere, the statutory Data Protection Officer ('DPO') has been continuously provisioned despite a change of personnel, Staff training and fellowship awareness remain requiring constant attention. However, an audit by the DPO suggests that the risk is being handled successfully as an 'enduring risk'. |
| Operational – Staff: Pensions | Failure to retain top quality academic staff as regulatory requirement to recover Defined Benefit pension deficit risks pension benefits. | Liability arises from higher employer's contribution and potentially a need to 'make-up' the loss from reduced pension benefits. Industrial action by academics. | Strike action and academic protest in 2018, addressed through Joint Expert Panel review of pension calculations, appear to be likely to repeat in 2019. Univ contributed comments in response to requests by USS trustees to engage in feedback and the selected solution to address the growing deficit aligns with all fellows who contributed to the consultation. Risk has not gone away as the 2020 valuation is imminent. Given College's limited influence, close monitoring remains essential. |

Investment policy, objectives and performance

The College's investment objectives are:

- Funding current spending at an appropriate drawing rate, our long term guideline is 4%;
- Growing the capital sufficiently to keep pace with inflation; and
- If possible to make additional returns to help fund capital expenditure.

To meet these objectives the College's investments are managed so as to maintain diversification across a range of asset classes. The goal is always to produce an appropriate balance between risk and return. Our investment policy is not based on exclusions of particular types of investments, but fully reflects the College's overall vigilance that its actions should be ethically sound, and the direct consequences of its actions reflect environmental and governance awareness.

UNIVERSITY COLLEGE

Report of the Governing Body

Year ended 31 July 2019

The investment strategy and policy continues to be carried out by the Investment Office headed up by the Investment Bursar, Frank Marshall with support from external advisers under the guidance of the Investment Committee.

Importantly, the College agreed to move to a Total Returns investment policy from its prior Income policy. While there is no expectation of a diminution in drawings in the year or in the future, the drive for this change is to afford greater flexibility over asset selection given the relative shortage of income assets in which to invest. The Finance Bursar and Investment Bursar have yet to complete the assured operationalisation of this change, and secure Governing Body approval of same, with the appropriate policy documents and portfolio management expectations. The key is always to ensure that the College has fungible resources in readiness to support operational and strategic reserves, while crafting a portfolio of investments that will continue to generate value to service the College's objects.

At the year end, the College's long term investments, combining the securities and property investments, totalled £200.9m (2018: £196.1m). The overall total investment return was 6.4% (2018: 8.3%) over the year. Since the inception of the Investment Committee (31 July 2002) the annualised return to 31 July 2019 is 8.7% (to 31 July 2018:8.9% pa).

FUTURE PLANS

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

- i. to strengthen the intellectual environment in which our undergraduate and graduate students are educated;
- ii. to strengthen our links with the secondary educational sector and promote the exceptional quality of the education offered to our undergraduates with a view to attracting the best students from all sectors, including those from under-represented groups;
- iii. to maintain its new scheme to support and admit more undergraduate applicants from the most disadvantaged backgrounds, taking account of new University initiatives;
- iv. to provide excellent welfare and disability support to our students, with a view to helping them achieve their full intellectual and educational capacity;
- v. to continue to provide means-tested bursaries to students from disadvantaged backgrounds, and to provide bridging support to those from educationally disadvantaged backgrounds who may be in need of it;
- vi. to continue to fund-raise for fully funded graduate studentships, and to compete in an international market for the most outstanding graduate students;
- vii. to continue to support the research of our Fellows;
- viii. to continue to put in place measures for improving the performance of our undergraduates in public examinations;
- ix. to establish new research and teaching posts for early career academics, and
- x. the development of the College's North Oxford site in light of the acquisition of 115 Banbury Road.

TRUSTEES' RESPONSIBILITIES STATEMENT

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

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Report of the Governing Body

Year ended 31 July 2019

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

The trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity, and of its net income or expenditure, for that period.

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

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

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

Approved by the Governing Body on 4 December 2019 and signed on its behalf by:

Sir Ivor Crewe

Master

UNIVERSITY COLLEGE

Independent Auditor' Report to the Trustees of University College Oxford

Year ended 31 July 2019

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

Opinion

We have audited the financial statements of University College Oxford for the year ended 31 July 2019 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees 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.

Overview of our audit approach

Materiality

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

Based on our professional judgement, we determined overall materiality for the financial statements as a whole to be £5.1m (FY18: £7.9m), based on 2% of gross assets. In addition, we determined a lower materiality level applicable for any particular classes of transactions, account balances or disclosures. Specific materiality of £335k which represents approximately 2% of income is applied to account balances not related to fixed assets.

UNIVERSITY COLLEGE

Independent Auditor' Report to the Trustees of University College Oxford

Year ended 31 July 2019

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment.

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

We agreed with the audit committee to report to it all identified errors in excess of £15k (2018: £10k). Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

Our audit was conducted at University College Oxford. Our audit approach was risk based and founded on a thorough understanding of the college's business, its environment and risk profile.

Key Audit Matters

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

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

| Key audit matter | How the scope of our audit addressed the key audit matter |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><i>Income recognition</i></p> <p>The key risks in this area were identified as follows.</p> <ul style="list-style-type: none">• Completeness (has all income due been appropriately recognised in the period?).• Benefit (has income been recognised in the appropriate period?).• Fund allocation (have donor restrictions on the use of the income been appropriately captured in the financial statements?).• Valuation (where income is owed at year end, is it likely to be received or should it be provided against?). <p>In addition, there is a risk that income may be misstated due to improper recognition of income.</p> | <p>Our audit work in this area has included the following:</p> <ul style="list-style-type: none">• Comparing the Collegiate Funding Formula ("CFF") calculation to the mounts included in the financial statements.• Performing detailed testing on residential, conference and other trading income, tracing a sample of transactions from the source documentation through to the nominal ledger to ensure completeness of income.• Completing detailed testing on voluntary income, tracing a sample of transactions from source documentation through to the nominal ledger to ensure completeness of income. In addition ensuring that restricted and endowment income is appropriately captured, recorded and disclosed in the financial statements. <p>Our testing did not identify any material misstatements in the income recognised during the year.</p> |

UNIVERSITY COLLEGE

Independent Auditor' Report to the Trustees of University College Oxford

Year ended 31 July 2019

Investment property

The college has a significant property portfolio, with a carrying value of £72.2m, which is classified as Investment property for financial reporting purposes and carried at fair value in accordance with Financial Reporting Standard 102.

The valuation of property required significant judgement and estimates by management and the external valuer. Any input inaccuracies or unreasonable bases used in these judgements could result in a material misstatement of the Statement of Financial Activities and Balance Sheet.

There is also a risk that management may bias the significant judgements and estimates in respect of property valuations in order to influence property valuation.

Our audit work included, but was not restricted to:

- Obtained a breakdown of investment properties and reconciled to the trial balance
- We evaluated the competence of the external valuer which included consideration of their independence, qualifications and expertise.
- Evaluating the valuations performed by professional valuers and comparing movements in valuation to observable market data and wider market trends.
- Discussing the assumptions made by the valuers to understand the basis of their valuation for those properties outside of our range of expectations.

Our testing did not identify any material misstatements in the valuation of investment properties.

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

Other information

The trustees are responsible for the other information. 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 we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

UNIVERSITY COLLEGE

Independent Auditor' Report to the Trustees of University College Oxford

Year ended 31 July 2019

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement [set out on page 17], the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

A further description of our responsibilities for the audit of the financial statements is located on the

Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters which we are required to address

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

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

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the

UNIVERSITY COLLEGE

Independent Auditor' Report to the Trustees of University College Oxford

Year ended 31 July 2019

charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

Statutory Auditor

Reading

5 December 2019

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

UNIVERSITY COLLEGE

Statement of Accounting Policies

Year ended 31 July 2019

STATEMENT OF ACCOUNTING POLICIES

1) Scope of the financial statements

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

The accounts of the University College Old Members’ Trust (“OMT”) have not been consolidated because the College does not control its activities. The net assets of the OMT as at 31 July 2019 were £9.9m (2018: £10.0m). Its incoming resources for the year then ended were £247k (2018: £201k) and it contributed £245k (2018: £257k) to the College during the year.

2) Basis of accounting

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

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

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

3) Accounting judgements and estimation uncertainty

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

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 SOFA 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.

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

Before legacies are recognised in the financial statements, the Governing Body has to exercise judgement as to what constitutes sufficient evidence of entitlement to the bequest. Sufficient entitlement has been determined to exist once notification of payment has been received from the executor(s) of the estate or

UNIVERSITY COLLEGE

Statement of Accounting Policies

Year ended 31 July 2019

estate accounts are available which indicate there are sufficient funds in the estate after meeting liabilities for the bequest to be paid.

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

4) 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, Higher Education Funding Council for England (“HEFCE”) support and other charges for services and the use of premises.

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

b) Income from donations, grants and legacies

Donations and grants that do not impose specific future performance-related or other specific conditions are recognised on the date on which the College has entitlement to the resource, the amount can be reliably measured and the economic benefit to the College of the donation or grant is probable. Donations and grants subject to performance-related conditions are recognised as and when those conditions are met. Donations and grants subject to other specific conditions are recognised as those conditions are met or their fulfilment is wholly within the control of the College and it is probable that the specified conditions will be met.

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

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

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

c) Investment income

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

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

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

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.

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Statement of Accounting Policies

Year ended 31 July 2019

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

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

6) Leases

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

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

7) Tangible fixed assets

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

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

Expenditure on the acquisition or enhancement of land and on the acquisition, construction and enhancement of buildings which is directly attributable to bringing the asset to its working condition for its intended use and amounting to more than £10,000 together with expenditure on equipment costing more than £10,000 is capitalised.

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

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

8) Depreciation

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

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

UNIVERSITY COLLEGE

Statement of Accounting Policies

Year ended 31 July 2019

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

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

10) Investments

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

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

Investments such as hedge funds and private equity funds which have no directly observable market value are initially measured at their cost and subsequently measured at their fair value at each reporting date without deduction of the estimated future selling costs. Fair value is based on the most recent valuations available from their respective fund managers. These use significant unobservable inputs in their valuation techniques.

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

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

11) Other financial instruments

a) Cash and cash equivalents

Cash and cash equivalents include cash at banks and in hand and short term deposits with a maturity date of three months or less.

b) Debtors and creditors

Debtors and creditors receivable or payable within one year of the reporting date are initially recognised at their transaction price and subsequently measured at amortised cost. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payment discounted at a market rate of interest and subsequently measured at amortised cost.

c) Bonds liability

On 28 April 2015 the College issued £40m of 3.068% unsecured bonds due April 2065. They are treated as a basic financial instrument. The bonds were initially measured at the proceeds of issue less all transaction costs directly attributable to the issue. After initial recognition the bonds are measured at amortised cost under the effective interest method (note 13).

On 30 March 2017 the College issued an unsecured Senior Note of £10m with an interest rate of 2.53% repayable in March 2057. It is treated as a basic financial instrument. The Senior Note was initially measured at the proceeds of issue less all transaction costs directly attributable to the issue. After initial recognition the Senior Note is measured at amortised cost under the effective interest method (note 13).

UNIVERSITY COLLEGE

Statement of Accounting Policies

Year ended 31 July 2019

12) Stock

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

13) Foreign currencies

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

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

14) Fund accounting

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

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

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

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

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

15) Pension costs

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

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

University College
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 |
|-------------------------------------------|-------|--------------------------------|------------------------------|---------------------------|------------------------|------------------------|
| INCOME AND ENDOWMENTS FROM: | | | | | | |
| Charitable activities: | | | | | | |
| Teaching, research and residential | 1 | 6,927 | 57 | - | 6,984 | 6,903 |
| Donations and legacies | 2 | 1,344 | 639 | 1,750 | 3,733 | 3,612 |
| Investments | | | | | | |
| Investment income | 3 | 124 | 6,252 | - | 6,376 | 6,235 |
| Other income | | 39 | - | - | 39 | 46 |
| Total income | | 8,434 | 6,948 | 1,750 | 17,132 | 16,796 |
| EXPENDITURE ON: | | | | | | |
| Charitable activities: | | | | | | |
| Teaching, research and residential | | 6,802 | 6,055 | 164 | 13,021 | 11,208 |
| Generating funds: | | | | | | |
| Fundraising | | 584 | 235 | 436 | 1,255 | 912 |
| Investment management costs | | 194 | 154 | 738 | 1,086 | 839 |
| Interest payable on bond and senior note | | 1,480 | - | - | 1,480 | 1,480 |
| Total Expenditure | | 9,060 | 6,444 | 1,338 | 16,842 | 14,439 |
| Net Income before gains | | (626) | 504 | 412 | 290 | 2,357 |
| Net gains on investments | 9, 10 | - | 150 | 4,302 | 4,452 | 6,177 |
| Net Income | | (626) | 654 | 4,714 | 4,742 | 8,534 |
| Transfers between funds | 14 | 3,027 | (74) | (2,953) | - | - |
| Net movement in funds for the year | | 2,401 | 580 | 1,761 | 4,742 | 8,534 |
| Fund balances brought forward | 14 | 62,526 | 11,734 | 132,660 | 206,920 | 198,386 |
| Funds carried forward at 31 July | | 64,927 | 12,314 | 134,421 | 211,662 | 206,920 |

University College
 Balance Sheet
 As at 31 July 2019
 Charity No. 1141259

| | Notes | 2019 £'000 | 2018 £'000 |
|--------------------------------------------------------|-------|----------------|----------------|
| FIXED ASSETS | | | |
| Tangible assets | 8 | 59,765 | 58,016 |
| Property investments | 9 | 72,231 | 70,456 |
| Other investments | 10 | 128,633 | 125,700 |
| Total Fixed Assets | | 260,629 | 254,172 |
| CURRENT ASSETS | | | |
| Stocks | | 86 | 78 |
| Debtors | 11 | 3,331 | 2,838 |
| Cash at bank and in hand | | 3,625 | 3,500 |
| Total Current Assets | | 7,042 | 6,416 |
| LIABILITIES | | | |
| Creditors: Amounts falling due within one year | 12 | 3,421 | 2,967 |
| NET CURRENT ASSETS | | 3,621 | 3,449 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 264,250 | 257,621 |
| CREDITORS: falling due after more than one year | 13 | 49,360 | 49,340 |
| NET ASSETS BEFORE PENSION ASSET OR LIABILITY | | 214,890 | 208,281 |
| Defined benefit pension scheme liability | 18 | 3,228 | 1,361 |
| TOTAL NET ASSETS | | 211,662 | 206,920 |
| FUNDS OF THE COLLEGE | | | |
| Endowment funds | | 134,421 | 132,660 |
| Restricted funds | | 12,314 | 11,734 |
| Unrestricted funds | | | |
| Designated funds | | 61,246 | 58,210 |
| General funds | | 3,681 | 4,316 |
| | | 211,662 | 206,920 |

The financial statements were approved and authorised for issue by the Governing Body of University College on 4 December 2019.

Trustee: Sir Ivor Crewe

Trustee: Dr Andrew I Grant

University College
Statement of Cash Flows
For the year ended 31 July 2019

| | Notes | 2019 £'000 | 2018 £'000 |
|---------------------------------------------------------------------------|--------------|-----------------------------|-----------------------------|
| Net cash used in operating activities | 22 | (2,588) | (3,663) |
| Cash flows from investing activities | | | |
| Dividends, interest and rents from investments | | 6,376 | 6,235 |
| Investment management expenses | | (1,086) | (839) |
| Proceeds from the sale of property, plant and equipment | | - | 144 |
| Purchase of property, plant and equipment | | (2,591) | (4,413) |
| Proceeds from sale of investments | | 37,305 | 39,987 |
| Purchase of investments | | (35,266) | (34,147) |
| Net cash provided by investing activities | | 4,738 | 6,967 |
| Cash flows from financing activities | | | |
| Interest payable on bond and senior note | | (1,480) | (1,480) |
| Receipt of endowment donations | | 1,750 | 2,101 |
| Net cash provided by financing activities | | 270 | 621 |
| Change in cash and cash equivalents in the reporting period | | 2,420 | 3,925 |
| Cash and cash equivalents at the beginning of the reporting period | | 13,412 | 9,487 |
| Cash and cash equivalents at the end of the reporting period | 23 | 15,832 | 13,412 |

University College
Notes to the financial statements
For the year ended 31 July 2019

1 INCOME FROM CHARITABLE ACTIVITIES

| | 2019 £'000 | 2018 £'000 |
|--------------------------------------------------------|---------------|---------------|
| Teaching, Research and Residential | | |
| Unrestricted funds | | |
| Tuition fees - UK and EU students | 1,691 | 1,698 |
| Tuition fees - Overseas students | 989 | 808 |
| Other HEFCE support | 245 | 264 |
| Other academic income | 87 | 67 |
| College residential income | <u>3,915</u> | <u>3,841</u> |
| | <u>6,927</u> | <u>6,678</u> |
| Restricted funds | | |
| Other academic income | 57 | 225 |
| Total Teaching, Research and Residential Income | <u>6,984</u> | <u>6,903</u> |

The above analysis includes £1,652k received from Oxford University from publicly accountable funds under the CFF Scheme (2018: £1,560k).

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: £19k). These are not included in the fee income reported above.

2 DONATIONS AND LEGACIES

| | 2019 £'000 | 2018 £'000 |
|-------------------------------|---------------|---------------|
| Donations and Legacies | | |
| Unrestricted funds | 1,344 | 930 |
| Restricted funds | 639 | 581 |
| Endowed funds | <u>1,750</u> | <u>2,101</u> |
| | <u>3,733</u> | <u>3,612</u> |

3 INVESTMENT INCOME

| | 2019 £'000 | 2018 £'000 |
|------------------------------------------|---------------|---------------|
| <i>Unrestricted funds</i> | | |
| Agricultural rent | 2 | 2 |
| Commercial rent | 65 | 64 |
| Other property income | 10 | 11 |
| Equity dividends | 30 | 27 |
| Income from fixed interest stocks | 16 | 18 |
| Interest on fixed term deposits and cash | <u>1</u> | <u>-</u> |
| | <u>124</u> | <u>122</u> |
| <i>Restricted funds</i> | | |
| Agricultural rent | 123 | 114 |
| Commercial rent | 3,290 | 3,217 |
| Other property income | 483 | 543 |
| Equity dividends | 1,492 | 1,344 |
| Income from fixed interest stocks | 825 | 877 |
| Interest on fixed term deposits and cash | <u>39</u> | <u>18</u> |
| | <u>6,252</u> | <u>6,113</u> |
| Total Investment income | <u>6,376</u> | <u>6,235</u> |

4 ANALYSIS OF EXPENDITURE

| | 2019 £'000 | 2018 £'000 |
|--------------------------------------------|---------------|---------------|
| Charitable expenditure | | |
| Direct staff costs allocated to: | | |
| Teaching, research and residential | 4,975 | 4,557 |
| Other direct costs allocated to: | | |
| Teaching, research and residential | 4,395 | 4,749 |
| Support and governance costs allocated to: | | |
| Teaching, research and residential | 3,651 | 1,902 |
| Total charitable expenditure | <u>13,021</u> | <u>11,208</u> |

University College
Notes to the financial statements
For the year ended 31 July 2019

| 4 ANALYSIS OF EXPENDITURE (CONTINUED) | 2019 £'000 | 2018 £'000 |
|----------------------------------------------|---------------|---------------|
| Expenditure on generating funds | | |
| Direct staff costs allocated to: | | |
| Fundraising | 629 | 493 |
| Other direct costs allocated to: | | |
| Fundraising | 199 | 237 |
| Investment management costs | 202 | 202 |
| Interest payable on bond and senior note | 1,480 | 1,480 |
| Support and governance costs allocated to: | | |
| Fundraising | 427 | 182 |
| Investment management costs | 884 | 637 |
| Total expenditure on generating funds | 3,821 | 3,231 |
| Total expenditure | 16,842 | 14,439 |

The 2018 resources expended of £14,439k represented £7,021k from unrestricted funds, £6,274k from restricted funds and £1,144k 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. 2017 was the last year of the current arrangements.

The teaching and research costs include College Contribution payable of £98k (2018:£nilk).

5 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

| | Generating Funds £'000 | Teaching and Research £'000 | 2019 Total £'000 |
|--------------------------------|------------------------------|--------------------------------------|------------------------|
| Financial administration | 323 | 576 | 899 |
| Domestic administration | 35 | 316 | 351 |
| Human resources | - | 106 | 106 |
| IT | 8 | 146 | 154 |
| Depreciation | - | 842 | 842 |
| Profit on sale of fixed assets | - | - | - |
| Investment management | 603 | - | 603 |
| Other finance (income)/charges | 283 | 1,604 | 1,887 |
| Governance costs | 60 | 60 | 120 |
| | 1,312 | 3,650 | 4,962 |

| | Generating Funds £'000 | Teaching and Research £'000 | 2018 Total £'000 |
|--------------------------------|------------------------------|--------------------------------------|------------------------|
| Financial administration | 270 | 504 | 774 |
| Domestic administration | 33 | 298 | 331 |
| Human resources | - | 91 | 91 |
| IT | 7 | 126 | 133 |
| Depreciation | - | 892 | 892 |
| Profit on sale of fixed assets | - | (41) | (41) |
| Investment management | 438 | - | 438 |
| Other finance charges/(income) | (7) | (45) | (52) |
| Governance costs | 78 | 77 | 155 |
| | 819 | 1,902 | 2,721 |

Financial and domestic administration, IT and human resources costs are attributed according to the estimated staff time spent on each activity.

Depreciation costs and profit or loss on disposal of fixed assets are attributed according to the use made of the underlying assets.

Interest and other finance charges are attributed according to the purpose of the related financing.

Governance costs are attributed equally between generating funds and teaching and research.

| | 2019 £'000 | 2018 £'000 |
|------------------------------------------------|---------------|---------------|
| Governance costs comprise: | | |
| Auditor's remuneration - audit services | 38 | 37 |
| Legal and other fees on constitutional matters | 9 | 39 |
| Other governance costs | 73 | 79 |
| | 120 | 155 |

University College
Notes to the financial statements
For the year ended 31 July 2019

5 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS (CONTINUED)

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

6 GRANTS AND AWARDS

2019 2018
£'000 £'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

69 51

Bursaries and hardship awards

50 46

Total unrestricted

119 97

Restricted funds

Grants to individuals:

Scholarships, prizes and grants

899 832

Bursaries and hardship awards

153 144

Total restricted

1,052 976

Total grants and awards

1,171 1,073

Within the total bursaries and hardship awards figure of £1,171k above, is the cost to the College of the Oxford Bursary scheme of £93k (2018:£96k). Students of this college received £75k (2018: £78k).Some of those students also received fee waivers amounting to £1k (2018: £3k).

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

7 STAFF COSTS

2019 2018
£'000 £'000

The aggregate staff costs for the year were as follows.

Salaries and wages

5,394 4,966

Social security costs

454 412

Pension costs:

Defined benefit schemes

819 714

Increase/(decrease) in Pension deficit recovery plan liability

1,867 (66)

Other benefits

292 153

8,826 6,179

The average number of employees of the College, excluding Trustees,

2019 2018

Tuition and research

48 48

College residential

110 96

Fundraising

8 9

Support

19 14

Total

185 167

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

University Lecturers

24 24

CUF Lecturers

9 8

Other teaching and research

2 3

Other

7 7

Total

42 42

University College
Notes to the financial statements
For the year ended 31 July 2019

7 STAFF COSTS (CONTINUED)

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

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

| | 2019 | 2018 |
|-----------------|----------|----------|
| £60,001-£70,000 | - | 1 |
| £70,001-£80,001 | <u>1</u> | <u>-</u> |

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

| | | |
|-----------------------------|----------|----------|
| In defined benefits schemes | <u>1</u> | <u>1</u> |
|-----------------------------|----------|----------|

8 TANGIBLE FIXED ASSETS

| | Land and Buildings: General £'000 | Fixtures, fittings and equipment £'000 | Total £'000 |
|------------------------------------|--------------------------------------------|-------------------------------------------------|----------------------|
| Cost or deemed cost | | | |
| At start of year | 62,748 | 2,141 | 64,889 |
| Additions | 2,364 | 227 | 2,591 |
| At end of year | <u>65,112</u> | <u>2,368</u> | <u>67,480</u> |
| Depreciation and impairment | | | |
| At start of year | 5,195 | 1,678 | 6,873 |
| Depreciation charge for the year | 660 | 182 | 842 |
| At end of year | <u>5,855</u> | <u>1,860</u> | <u>7,715</u> |
| Net book value | | | |
| At end of year | <u>59,257</u> | <u>508</u> | <u>59,765</u> |
| At start of year | 57,553 | 463 | 58,016 |

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.

9 PROPERTY INVESTMENTS

| | Agricultural £'000 | Commercial £'000 | 2019 Total £'000 | 2018 Total £'000 |
|----------------------------------------|-----------------------|----------------------|------------------------|------------------------|
| Valuation at start of year | 6,653 | 63,803 | 70,456 | 68,236 |
| Additions and improvements at cost | 1,826 | 49 | 1,875 | 334 |
| Revaluation (losses)/gains in the year | 231 | (331) | (100) | 1,886 |
| Valuation at end of year | <u>8,710</u> | <u>63,521</u> | <u>72,231</u> | <u>70,456</u> |

Estates land and property valuations as at 31 July 2019 have been made by the College's land agents, three independent firms of Chartered Surveyors: Cluttons, Carter Jonas and Stephenson & Son. The basis of valuation being market valuation i.e. the estimated amount for which the asset should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

University 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 |
|---------------------------------------|----------------|----------------|
| Valuation at start of year | 125,700 | 123,778 |
| New money invested | 33,391 | 33,813 |
| Amounts withdrawn | (37,305) | (39,987) |
| Increase in cash held by fund manager | 2,295 | 3,805 |
| Increase in value of investments | 4,552 | 4,291 |
| Investments at end of year | 128,633 | 125,700 |

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 | 17,498 | 26,870 | 44,368 | 18,015 | 34,007 | 52,022 |
| Global equity funds | 16,547 | - | 16,547 | 14,011 | - | 14,011 |
| Property funds | - | 12,022 | 12,022 | - | 11,969 | 11,969 |
| Fixed interest stocks | 29,128 | 10,759 | 39,887 | 30,046 | 4,414 | 34,460 |
| Alternative and other investments | 2,929 | 673 | 3,602 | 3,326 | - | 3,326 |
| Fixed term deposits and cash | - | 12,207 | 12,207 | - | 9,912 | 9,912 |
| Total investments | 66,102 | 62,531 | 128,633 | 65,398 | 60,302 | 125,700 |

11 DEBTORS

| | 2019 £'000 | 2018 £'000 |
|------------------------------------------------------|---------------|---------------|
| Amounts falling due within one year: | | |
| Trade debtors | 640 | 599 |
| Amounts owed by College members | 185 | 266 |
| Loans repayable within one year | 75 | 75 |
| Prepayments and accrued income | 1,681 | 1,133 |
| Other debtors | - | 15 |
| Amounts falling due after more than one year: | | |
| Loans | 750 | 750 |
| | 3,331 | 2,838 |

12 CREDITORS: falling due within one year

| | 2019 £'000 | 2018 £'000 |
|------------------------------|---------------|---------------|
| Trade creditors | 1,413 | 470 |
| Taxation and social security | 181 | 187 |
| College contribution | 98 | - |
| Accruals and deferred income | 1,527 | 2,040 |
| Other creditors | 202 | 270 |
| | 3,421 | 2,967 |

13 CREDITORS: falling due after more than one year

| | 2019 £'000 | 2018 £'000 |
|-----------------------------------|---------------|---------------|
| Bonds and Senior Note liabilities | 49,360 | 49,340 |

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

University College
Notes to the financial statements
For the year ended 31 July 2019

13 CREDITORS: falling due after more than one year (continued)

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

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

14 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 |
|-----------------------------------------------------|------------------------------|--------------------------------|--------------------------------|--------------------|-----------------------------|-----------------------------|
| Endowment Funds - Permanent | | | | | | |
| Dr Radcliffe's Linton Estate (1714) | 13,207 | - | (38) | - | 355 | 13,524 |
| Oxford Radcliffe Scholarships (2013) | 12,065 | - | (31) | - | 289 | 12,323 |
| Univ 20/20 Strategy (2007) | 6,069 | - | (16) | - | 153 | 6,206 |
| J G Weir (1954) | 4,906 | - | (14) | - | 132 | 5,024 |
| Univ 20/20 Endowment (2007) | 4,806 | - | (13) | - | 127 | 4,920 |
| Radcliffe Travelling Fellow(1858) | 4,639 | - | (13) | - | 125 | 4,751 |
| John Freeston Trust (1592) | 2,982 | - | (9) | - | 80 | 3,053 |
| Maintenance Trust Fund (1932) | 2,193 | - | (6) | - | 59 | 2,246 |
| Sir E A Wallis Budge (1935) | 1,984 | - | (6) | - | 53 | 2,031 |
| Sanderson Modern History Fellow (2012) | 1,905 | - | (6) | - | 52 | 1,951 |
| McConnell Laing Classics (1999) | 1,768 | - | (5) | - | 50 | 1,813 |
| Margaret Candfield English (1997) | 1,736 | - | (5) | - | 47 | 1,778 |
| The Bouverie Trust (1979) | 1,559 | - | - | - | - | 1,559 |
| Tacchi Fellowship (2008) | 1,445 | - | (4) | - | 41 | 1,482 |
| Dunhill Foundation Trust (1988) | 1,412 | - | (4) | - | 38 | 1,446 |
| Schrecker Slavonic Studies (2007) | 1,395 | - | (4) | - | 38 | 1,429 |
| O.M. Organic Chemistry Fellow (1990) | 1,387 | - | (4) | - | 37 | 1,420 |
| Harold Salvesen Junior Fellow (1964) | 1,358 | - | (4) | - | 36 | 1,390 |
| Scott JRF Fund (2001) | 1,313 | - | (4) | - | 38 | 1,347 |
| Swire Graduate History Scholarship (2012) | 1,264 | - | (4) | - | 34 | 1,294 |
| Modern History Fund (1999) | 1,218 | 1 | (3) | - | 28 | 1,244 |
| Robert Mynors (1922) | 1,210 | - | (3) | - | 32 | 1,239 |
| Goodman Fellowship Fund (1986) | 1,133 | - | (3) | - | 31 | 1,161 |
| Modern History Fund II (2001) | 1,169 | - | (4) | - | 40 | 1,205 |
| Rayne Physics (1980) | 1,085 | - | (3) | - | 29 | 1,111 |
| Oxford Burma Graduate Scholarship (2016) | 1,050 | - | (3) | - | 20 | 1,067 |
| Pye Fellowship (1998) | 1,047 | - | (3) | - | 28 | 1,072 |
| Oxford Anderson History Graduate Scholarship (2014) | 1,042 | 125 | (4) | - | 36 | 1,199 |
| Levison Physics (1996) | 1,034 | - | (3) | - | 28 | 1,059 |
| Beaverbrook Fund (1979) | 1,025 | - | - | - | - | 1,025 |
| 44 Other Funds | 16,786 | 198 | (44) | - | 410 | 17,350 |
| Endowment Funds - Expendable | | | | | | |
| Univ. Capital Fund | 25,394 | 296 | (962) | (2,953) | 1,465 | 23,240 |
| Hoffman Law Fellowship | 1,870 | 2 | (6) | - | 53 | 1,919 |
| Oxford-Univ-Rhodes Graduate Scholarship (2017) | 1,446 | 95 | (31) | - | 48 | 1,558 |
| 41 Other Funds | 6,758 | 1,033 | (76) | - | 270 | 7,985 |
| Total Endowment Funds | 132,660 | 1,750 | (1,338) | (2,953) | 4,302 | 134,421 |
| Restricted Funds | | | | | | |
| Geary Hill Fund (1987) | 1,613 | 44 | (49) | - | 42 | 1,650 |
| Radcliffe Travelling Fellow (1858) | 1,684 | 129 | (9) | - | 31 | 1,835 |
| Univ 20/20 Strategy (2007) | 1,058 | 159 | (54) | - | - | 1,163 |
| 125 Other Funds | 7,379 | 6,616 | (6,332) | (74) | 77 | 7,666 |
| Total Restricted Funds | 11,734 | 6,948 | (6,444) | (74) | 150 | 12,314 |

University College
Notes to the financial statements
For the year ended 31 July 2019

14 ANALYSIS OF MOVEMENTS ON FUNDS (CONTINUED)

| | At 1 August 2018 £'000 | Incoming resources £'000 | Resources expended £'000 | Transfers £'000 | Gains/ (losses) £'000 | At 31 July 2019 £'000 |
|---------------------------------|------------------------------|--------------------------------|--------------------------------|--------------------|-----------------------------|-----------------------------|
| Unrestricted Funds | | | | | | |
| General | 4,316 | 6,971 | (7,588) | (18) | - | 3,681 |
| Fixed Asset Designated Fund | 52,345 | - | - | 2,364 | - | 54,709 |
| Major Repair Fund | 1,294 | - | - | - | - | 1,294 |
| Master's Stipend Fund | 1,210 | 50 | (50) | - | - | 1,210 |
| Overbrook Foundation | 1,026 | 42 | (59) | - | - | 1,009 |
| 17 Other Funds | 2,335 | 1,371 | (1,363) | 681 | - | 3,024 |
| Total Unrestricted Funds | 62,526 | 8,434 | (9,060) | 3,027 | - | 64,927 |
| Total Funds | 206,920 | 17,132 | (16,842) | - | 4,452 | 211,662 |

15 FUNDS OF THE COLLEGE DETAILS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Beaverbrook Fund established in 1979 for the general support of the College activities.

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

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

Rayne Physics (1980) fund exists to support physics.

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

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

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

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

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

Endowment Funds - Expendable:

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

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

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

Restricted Funds:

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

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

Unrestricted Funds:

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

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

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

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

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

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16 ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted Funds £'000 | Restricted Funds £'000 | Endowment Funds £'000 | 2019 Total £'000 |
|-----------------------|--------------------------------|------------------------------|-----------------------------|------------------------|
| Tangible fixed assets | 59,765 | - | - | 59,765 |
| Property investments | - | 1,479 | 70,752 | 72,231 |
| Other investments | 4,769 | 10,835 | 113,029 | 128,633 |
| Net current assets | 3,621 | - | - | 3,621 |
| Long term liabilities | (3,228) | - | (49,360) | (52,588) |
| | <u>64,927</u> | <u>12,314</u> | <u>134,421</u> | <u>211,662</u> |

| | Unrestricted Funds £'000 | Restricted Funds £'000 | Endowment Funds £'000 | 2018 Total £'000 |
|-----------------------|--------------------------------|------------------------------|-----------------------------|------------------------|
| Tangible fixed assets | 58,016 | - | - | 58,016 |
| Property investments | - | 1,468 | 68,988 | 70,456 |
| Other investments | 2,422 | 10,266 | 113,012 | 125,700 |
| Net current assets | 3,449 | - | - | 3,449 |
| Long term liabilities | (1,361) | - | (49,340) | (50,701) |
| | <u>62,526</u> | <u>11,734</u> | <u>132,660</u> | <u>206,920</u> |

17 TRUSTEES' REMUNERATION

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

No trustee receives any remuneration for acting as a trustee.

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

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

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

Trustees of the College fall into the following categories:

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

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

Some trustees who are Tutorial Fellows are eligible for College housing schemes. 9 trustees live in the College or College owned houses or flats. 19 receive an allowance for housing which is disclosed within the salary figures below. 6 trustees live in houses owned jointly with the College. Some trustees receive additional allowances for additional work carried out as part time college officers, e.g. Dean. These amounts are included within the remuneration figures below.

The total remuneration and taxable benefits as shown below is £1,457k (2018:£1,330k).

The total of pension contributions is £215k (2018:£199k).

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

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17 TRUSTEES' REMUNERATION (CONTINUED)

| Trustee Name & Position | Remuneration | Taxable | Pension | 2019 | 2018 |
|--------------------------------------------------|------------------|---------------|--------------------|------------------|------------------|
| | £ | Benefits £ | Contributions £ | Total £ | Total £ |
| Dr W Allan - Tutorial Fellow | 44,810 | 1,686 | 9,156 | 55,652 | 59,392 |
| Professor F Arntzenius - Tutorial Fellow | - | - | - | - | 9,854 |
| Dr R Ashdowne - Assistant Senior Tutor * | - | - | - | - | - |
| Dr M Barnes - Tutorial Fellow | 21,483 | 1,686 | 3,974 | 27,143 | 25,773 |
| Dr A Bell - Senior Tutor | 78,305 | - | 14,486 | 92,791 | 83,707 |
| Professor M Benedikt - Supernumerary Fellow | - | 675 | - | 675 | 472 |
| Professor J Benesch - Tutorial Fellow | 21,829 | 1,349 | 3,974 | 27,152 | 26,174 |
| Professr R Chang - Professorial Fellow | - | 675 | - | 675 | - |
| Professor T W Child - Tutorial Fellow | 21,483 | - | 3,974 | 25,457 | 30,994 |
| Dr R Chitnis - Tutorial Fellow * | - | - | - | - | - |
| Dr S Collins - Tutorial Fellow | 23,262 | 1,349 | 3,974 | 28,585 | 26,997 |
| Mr G J Cox - Development Director * | 20,625 | - | 4,022 | 24,647 | - |
| Sir I M Crewe - The Master | 104,280 | 13,471 | - | 117,751 | 113,294 |
| Dr K L Dorrington - Tutorial Fellow | 17,427 | 1,349 | 3,179 | 21,955 | 21,084 |
| Dr M Galpin - Supernumerary Fellow | 9,279 | - | 1,406 | 10,685 | 9,802 |
| Dr A I Grant - Finance Bursar | 91,804 | - | - | 91,804 | 90,004 |
| Revd Dr A Gregory - Chaplain | 55,378 | 1,686 | 10,245 | 67,309 | 65,245 |
| Professor Barend ter Haar - Professorial Fellow | - | 675 | - | 675 | 944 |
| Professor N Halmi - Tutorial Fellow | 14,872 | 439 | 2,751 | 18,062 | 18,393 |
| Professor J D Hamkins - Tutorial Fellow | 42,351 | 6,931 | 7,857 | 57,139 | - |
| Dr L Hansen - Tutorial Fellow | 21,811 | 1,686 | 4,035 | 27,532 | 20,832 |
| Dr S Hansen - Tutorial Fellow | 19,693 | 1,686 | 3,625 | 25,004 | 27,479 |
| Professor J Hein - Professorial Fellow | - | 675 | - | 675 | 472 |
| Professor G M Henderson - Senior Research Fellow | 2,754 | 1,686 | - | 4,440 | 3,880 |
| Dr C J Holmes - Tutorial Fellow | 49,489 | 1,686 | 9,156 | 60,331 | 58,431 |
| Professor P D Howell - Tutorial Fellow | 21,483 | 1,349 | 3,974 | 26,806 | 26,015 |
| Dr B Jackson - Tutorial Fellow | 45,493 | 1,686 | 8,416 | 55,595 | 52,059 |
| Dr I Jacobs - Supernumerary Fellow | - | 675 | - | 675 | 715 |
| Professor P Jezzard - Professorial Fellow | 4,635 | 858 | - | 5,493 | 6,616 |
| Professor A Johnston - Tutorial Fellow | 50,246 | 675 | 9,295 | 60,216 | 62,735 |
| Dr P Jones - Tutorial Fellow | 13,703 | 1,012 | 2,511 | 17,226 | 13,980 |
| Dr L Kallet - Tutorial Fellow | 38,243 | 1,349 | 7,075 | 46,667 | 40,499 |
| Professor A Ker - Tutorial Fellow | 21,483 | 675 | 3,974 | 26,132 | 25,324 |
| Dr C Leaver - Supernumerary Fellow | - | 675 | - | 675 | 472 |
| Professor D Logan - Professorial Fellow | - | 1,686 | - | 1,686 | 1,180 |
| Mr F N Marshall - Estates Bursar ** | - | - | - | - | 3,869 |
| Professor S Mavroeidis - Tutorial Fellow | 5,285 | 1,686 | 947 | 7,918 | 8,740 |
| Dr K Milewicz - Tutorial Fellow | 10,045 | 675 | 3,974 | 14,694 | 25,324 |
| Dr J E S Moshenska - Tutorial Fellow | 52,875 | 6,021 | 9,961 | 68,857 | 17,155 |
| Professor R J Nicholas - Tutorial Fellow | 17,840 | 675 | 3,220 | 21,735 | 20,611 |
| Dr N Nikolov - Tutorial Fellow | 16,617 | 1,349 | 2,841 | 20,807 | 18,227 |
| Professor K O'Brien - Professorial Fellow | - | - | - | - | - |
| Dr C J Pears - Tutorial Fellow | 22,789 | 1,686 | 3,974 | 28,449 | 26,988 |
| Professor T Povey - Tutorial Fellow | 22,184 | 1,349 | 3,974 | 27,507 | 25,796 |
| Dr P Rebeschini - Tutorial Fellow | 9,487 | 13,451 | 1,894 | 24,832 | 20,091 |
| Professor R Rickaby - Professorial Fellow * | - | - | - | - | - |
| Professor A W Roscoe - Senior Research Fellow | 2,678 | 1,349 | 495 | 4,522 | 4,409 |
| Mr W A Roth - Development Director ** | 56,244 | 337 | 8,765 | 65,346 | 112,954 |
| Professor J Rowbottom - Tutorial Fellow | 42,339 | 1,686 | 8,108 | 52,133 | 40,040 |
| Dr M Schentuleit - Supernumerary Fellow * | - | - | - | - | - |
| Professor G Screation - Professorial Fellow | - | - | - | - | - |
| Professor T Sharp - Tutorial Fellow | 21,483 | 1,686 | 3,974 | 27,143 | 25,737 |
| Professor A Smith - Professorial Fellow * | - | - | - | - | - |
| Professor M J Smith - Senior Research Fellow ** | 173 | 3,238 | - | 3,411 | 3,305 |
| Dr M D Smith - Tutorial Fellow | 24,237 | 675 | 4,484 | 29,396 | 28,719 |
| Dr S Smith - Tutorial Fellow | 10,188 | 675 | 1,885 | 12,748 | 12,639 |
| Professor TY Tan - Professorial Fellow * | - | - | - | - | - |
| Professor C Terquem - Tutorial Fellow | 33,057 | 1,686 | 6,116 | 40,859 | 26,091 |
| Professor S C Tsang - Tutorial Fellow | 10,663 | 1,686 | 1,894 | 14,243 | 13,022 |
| Mrs A Unsworth - Domestic Bursar | 74,990 | 1,686 | 14,056 | 90,732 | 82,981 |
| Professor J F Wheeler - Senior Research Fellow | - | 1,349 | - | 1,349 | 944 |
| Professor N Woods - Senior Research Fellow | 2,754 | 1,012 | 509 | 4,275 | 3,894 |
| Professor N Yeung - Tutorial Fellow | 19,116 | 1,686 | 3,534 | 24,336 | 26,460 |
| Professor O Zimmer - Tutorial Fellow | 49,489 | 675 | 9,155 | 59,319 | 57,723 |
| | 1,360,754 | 96,348 | 214,819 | 1,671,921 | 1,528,537 |

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

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

Other transactions with trustees

No trustee claimed expenses for any work performed in discharge of duties as a trustee.
See also note 26 Related Party Transactions.

17 TRUSTEES' REMUNERATION (CONTINUED)

Key management remuneration

The total remuneration paid to key management was £536k (2018: £540k).

Key management are considered to be The Master, the Senior Tutor, the Finance Bursar, the Domestic Bursar and the Development Director.

18 PENSION SCHEMES

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

Both schemes are multi-employer schemes and the College is unable to identify its share of the underlying assets and liabilities of each scheme on a consistent and reasonable basis. Therefore, in accordance with the accounting standard FRS 102 paragraph 28.11, the College accounts for the schemes as if they were defined contribution schemes. As a result, the amount charged to the Statement of Financial Activities represents the contributions payable to the schemes in respect of the accounting period.

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

Universities Superannuation Scheme

The pension charge for the year includes £1,924k (2018: £364k) in relation to the USS. This represents contributions of £481k (2018: £429k) payable to the USS as adjusted by the increase in the deficit funding liability between the opening and closing balance sheet dates of £1,443k (2018: £65k decrease).

USS' actuarial valuation as at 31 March 2017 takes into account the revised benefit structure effective 1 April 2016 agreed both by the Joint Negotiating Committee and the Trustee in July 2015 following the Employers' consultation which concluded in June 2015. 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. 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 £5.7bn (92% funded).

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%.

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.

A provision of £2,116k has been made at 31 July 2019 (2018: £673k) for the present value of the estimated future deficit funding element of the contributions payable under this agreement. In determining the level of this provision it has been assumed that the College will have an increase in membership of 1% in year 1 and 1% thereafter. It has been assumed that relevant earnings of these employees will increase by 1.8% in year 1, 2% in year 2, 4% in year 3 and 2% thereafter. An average discount rate of 1.58% over the period to 31 March 2034 has been used.

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 £1,246k, a decrease of £870k from the current year end provision and a lower pension charge for the year of £1,054k.

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

Oxford Staff Pension Scheme

The pension charge for the year includes £762k (2018: £284k) in relation to the OSPS. This represents contributions of £339k (2018: £285k) payable to the OSPS as adjusted by the increase in the deficit funding liability between the opening and closing balance sheet dates of £424k (2018: £1k decrease).

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 for the whole scheme of £133m. 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 indexing 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.

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18 PENSION SCHEMES (CONTINUED)

The 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 the 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.

A provision of £1,112k has been made at 31 July 2019 (2018:£688k) for the present value of the estimated future deficit funding element of the contributions payable under this agreement. In determining the level of this provision it has been assumed that the membership in the scheme will increase by 2% in years 1, 2 & 3, 5% in year 4, 1% in year 5 and with no growth after that. It has been assumed that relevant earnings of these employees will increase by 3% in year 1, and by 3% thereafter. An average discount rate of 1.25% over the period to 30 June 2027 has been used.

A copy of the full actuarial valuation report and other further details on the scheme are available on the University of Oxford website <http://www.admin.ox.ac.uk/finance/epp/pensions/schemes/osps/>.

19 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.

20 FINANCIAL INSTRUMENTS

The financial statements include the following in respect of their financial instruments:

| | 2019 £'000 | 2018 £'000 |
|-----------------------------------------------------------------------------|----------------|----------------|
| Financial assets at fair value through statement of financial activities: | | |
| Investments | <u>128,633</u> | <u>125,700</u> |
| Financial assets that are debt instruments measured at amortised cost: | | |
| Trade debtors | 640 | 599 |
| Amounts owed by College members | 185 | 266 |
| Loans repayable within one year | 75 | 75 |
| Accrued income | 988 | 988 |
| Other debtors | 750 | 750 |
| Cash and cash equivalents | <u>3,625</u> | <u>3,500</u> |
| | <u>6,263</u> | <u>6,178</u> |
| Financial liabilities that are debt instruments measured at amortised cost: | | |
| Trade creditors | 1,413 | 470 |
| Taxation and social security | 181 | 187 |
| College contribution | 98 | - |
| Accruals | 812 | 943 |
| Other creditors | 202 | 270 |
| Long term creditors | <u>49,360</u> | <u>49,340</u> |
| | <u>52,066</u> | <u>51,210</u> |

21 FINANCIAL INSTRUMENTS RISK

The College is exposed to various risks in relation to financial instruments. The College's financial assets and liabilities by category are summarised in Note 20. The main types of risk are market risk, credit risk, liquidity risk and interest rate risk.

Market Risk Analysis

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

Foreign Currency Sensitivity

Most of the College's operating transactions are carried out in pounds sterling. Exposure to currency exchange rates arise from the College's purchases and sales of investments denominated in foreign currencies. To mitigate the College's exposure to foreign currency risk the Investment committee monitor regularly review the currency allocations and recommend rebalancing. Forward exchange contracts are only entered into for significant long-term foreign currency exposures that are not expected to be offset by other same-currency transactions. There were no forward exchange contracts at 31 July 2019 or 31 July 2018.

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

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Notes to the financial statements
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21 FINANCIAL INSTRUMENTS RISK (CONTINUED)

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

| | 2019 | 2018 |
|------------------|--------|--------|
| Pounds sterling | 56.7% | 51.0% |
| US dollar | 30.1% | 31.9% |
| Euro | 0.0% | 5.7% |
| Japanese Yen | 6.0% | 5.2% |
| Other currencies | 7.2% | 6.2% |
| | 100.0% | 100.0% |

| | USD £'000 | Yen £'000 | Other £'000 | Total £'000 |
|-----------------------|--------------|--------------|----------------|----------------|
| 31 July 2019 | | | | |
| Financial assets | 38,644 | 7,703 | 9,325 | 55,672 |
| Financial liabilities | - | - | - | - |
| Total Exposure | 38,644 | 7,703 | 9,325 | 55,672 |

Impact on the net movement of funds for the year 2018/19

| | |
|----------------------------|-------|
| 10% US dollar appreciation | 3,864 |
| 10% Yen appreciation | 770 |

| | USD £'000 | Euro £'000 | Other £'000 | Total £'000 |
|-----------------------|--------------|---------------|----------------|----------------|
| 31 July 2018 | | | | |
| Financial assets | 41,172 | 7,381 | 14,724 | 63,277 |
| Financial liabilities | - | - | - | - |
| Total Exposure | 41,172 | 7,381 | 14,724 | 63,277 |

Impact on the net movement of funds for the year 2017/18

| | |
|----------------------------|-------|
| 10% US dollar appreciation | 4,117 |
| 10% Euro appreciation | 738 |

Risk Management policies and procedures

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

Credit risk

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

Credit risk exposure

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

| | 2019 £'000 | 2018 £'000 |
|-----------------------------------------------|---------------|---------------|
| Equity investments | 60,915 | 66,033 |
| Property funds | 12,022 | 11,969 |
| Fixed interest stocks | 39,887 | 34,460 |
| Alternative and other investments | 3,602 | 3,326 |
| Cash & Cash equivalents | 15,832 | 13,412 |
| Trade and other receivables | 3,331 | 2,838 |
| Total financial assets exposed to credit risk | 135,589 | 132,038 |

Risk management policies and procedures

The College aims to minimise its counterparty credit risk exposure by monitoring the size of its credit exposure to, and the creditworthiness of, counterparties, including setting exposure limits and maturities within its investment portfolio primarily. The creditworthiness and financial strength of trading customers e.g. new tenants, is assessed at inception. All new students have to provide a financial guarantee statement indicating the availability of funds to meet fees and living costs. Counterparties for investment assets and bank accounts are selected based on their financial ratings, regulatory environments and specific circumstances.

Liquidity Risk

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

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Notes to the financial statements
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21 FINANCIAL INSTRUMENTS RISK (CONTINUED)

Risk management policies and procedures

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

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

| | Three months or less | Between three months and a year | Between one and five years | More than five years | Total |
|-----------------------------------|----------------------------|---------------------------------------|-------------------------------|-------------------------|----------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| As at 31 July 2019 | | | | | |
| Bonds and Senior Note liabilities | 740 | 740 | 5,921 | 108,664 | 116,065 |
| Other creditors | 1,413 | - | - | - | 1,413 |
| Total at 31 July 2019 | <u>2,153</u> | <u>740</u> | <u>5,921</u> | <u>108,664</u> | <u>117,478</u> |
| As at 31 July 2018 | | | | | |
| Bonds and Senior Note liabilities | 740 | 740 | 5,921 | 110,144 | 117,545 |
| Other creditors | 470 | - | - | - | 470 |
| Total at 31 July 2018 | <u>1,210</u> | <u>740</u> | <u>5,921</u> | <u>110,144</u> | <u>118,015</u> |

Interest rate risk

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

Interest rate exposure and sensitivity

As stated in the accounting policies, the College's bond liabilities are measured at book value (the difference to being measured at amortised cost using the effective interest rate method is trivial). The College has only minimal amounts held on variable rate.

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

At 31 July 2019 the College held £39.9m (2018: £34.5m) of government bonds with fixed interest.

Risk management policies and procedures

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

Other price risk

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

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

At 31 July 2019 total endowment funds were £134.4m (2018: £132.6m) - see notes 15 & 16 for further detail on the endowment funds.

Concentration of exposure to other price risk

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

Fair Value

Debtors and current liabilities are stated in the balance sheet at amortised cost which are not materially different from their fair values. The bond liabilities are measured at book value (the difference to being measured at amortised cost using the effective interest method is trivial). The amortised cost of the other financial assets and liabilities shown on the balance sheet are the same as the fair value.

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

| | 2019 £'000 | 2018 £'000 |
|-------------------------------------------------|----------------|----------------|
| Net Income | 4,742 | 8,534 |
| Elimination of non-operating cash flows: | | |
| Investment income | (6,376) | (6,235) |
| Gains on investments | (4,452) | (6,177) |
| Endowment donations | (1,750) | (2,101) |
| Bonds & Senior Note Interest payable | 1,480 | 1,480 |
| Investment management costs | 1,086 | 839 |
| Depreciation | 842 | 891 |
| Surplus on sale of fixed assets | - | (41) |
| (Increase)/Decrease in stock | (8) | 11 |
| Increase in debtors | (493) | (183) |
| Increase/(Decrease) in creditors | 474 | (615) |
| Increase/(Decrease) in pension scheme liability | 1,867 | (66) |
| Net cash used in operating activities | (2,588) | (3,663) |

23 ANALYSIS OF CASH AND CASH EQUIVALENTS

| | 2019 £'000 | 2018 £'000 |
|----------------------------------------|---------------|---------------|
| Cash at bank and in hand | 3,625 | 3,500 |
| Other investments cash | 12,207 | 9,912 |
| Total cash and cash equivalents | 15,832 | 13,412 |

24 CAPITAL COMMITMENTS

There are no capital commitments that require disclosure.

25 COMMITMENTS UNDER OPERATING LEASES

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

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

| | 2019 £'000 | 2018 £'000 |
|----------------------------------------------|---------------|---------------|
| Not later than 1 year | 3,445 | 3,380 |
| Later than 1 year and not later than 5 years | 9,438 | 9,677 |
| later than 5 years | 57,980 | 53,518 |
| | 70,863 | 66,575 |

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26 RELATED PARTY TRANSACTIONS

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

| | 2019 | 2018 |
|----------------------------------------------------------------|---------------------|--------------|
| | £'000 | £'000 |
| Professor N Yeung | 109 | 112 |
| Associate Professor B Jackson | 279 | 286 |
| Professor A Johnston | 172 | 177 |
| Professor J Rowbottom | 229 | 234 |
| Associate Professor N Nikolov | 222 | 227 |
| Associate Professor P Jones | 332 | 339 |
| Total net book value of properties owned jointly with trustees | <u>1,343</u> | <u>1,375</u> |

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

During the year a total of £3,351 (2018: £1,867) was paid to 4 children of Trustees for work done as casual workers. All were paid at the standard rate for similar casual workers undertaking similar duties. No amount remains outstanding at the year end.

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

The College contracted PwC LLP's intelligence and anti-corruption team's suitably qualified staff in location to conduct an enhanced due diligence on a potential transaction with a foreign entity. The work was delivered satisfactorily on 8 February, 2019, and invoiced for £25,200 on 17 April 2019. The end year balance outstanding is nil. As cited on page 8, Gilly Lord, a PwC LLP partner and their head of Audit Strategy and Public Policy, is an external member of Univ's Audit Committee. Gilly Lord was not involved at any time in the College's choice to appoint PwC to perform these due diligence works.

27 CONTINGENT LIABILITIES

The College had no contingent liabilities at 31 July 2019 (2018: £nil).

28 POST BALANCE SHEET EVENTS

A new Schedule of Contributions based on the 2018 actuarial valuation has now been agreed after period close. This results in a decrease of £870k in the provision made at financial year end of £2,116k for the obligation to fund the deficit on the USS pension scheme. This adjustment will be reflected in the College's financial statements for the year ended 31 July 2020.