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UNIVERSITY COLLEGE OXFORD

Annual Report and Financial Statements

Year ended 31 July 2018

Charity No. 1141259

UNIVERSITY COLLEGE
Annual Report and Financial Statements
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Report of the Governing Body

Year ended 31 July 2018

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:

		(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			•			
Mr F N Marshall	Resigned 11 August 2017					
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						
Dr L Kallet		•				
Dr B Jackson		•				•
Professor N Yeung						
Professor M Benedikt						
Professor F Arntzenius	Resigned 30 September 2018					
Professor S C Tsang						

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		(1)	(2)	(3)	(4)	(5)
Professor T Sharp		•				
Dr M Smith			•			•
Professor N Halmi		•				
Professor A Johnston						
Professor S Mavroeidis		•				
Dr P Jones						
Mr J Rowbottom		•				
Dr M Galpin				•		
Dr K Milewicz						
Dr N Nikolov						
Dr J Benesch		•				
Dr C Leaver						
Professor Barend ter Haar	Resigned 30 September 2018					
Mr W A Roth			•			•
Dr L Hansen				•		
Mrs A Unsworth			•	•	•	•
Dr A Bell		•	•	•		•
Professor C Terquem		•				
Dr M Barnes				•		
Dr I Jacobs						
Dr S Hansen						
Dr S Smith						
Professor K O'Brien						
Dr P Rebeschini		•				
Dr A I Grant	Appointed 1 August 2017		•		•	•
Professor G Screamon	Appointed 1 January 2018					
Dr J E S Moshenska	Appointed 1 April 2018					

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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 above for each Fellow.

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

The College is also guided and governed by three further committees, namely: Audit, Remuneration and Investment committees. As these committees correctly and additionally comprise external, i.e., non-fellowship membership, their complement is not listed.

COLLEGE SENIOR STAFF

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

Sir Ivor Crewe	Master
Andrew Grant	Finance Bursar (with effect from 1 August 2017)
Angela Unsworth	Domestic Bursar
Andrew Bell	Senior Tutor
William Roth	Development Director

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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
Seacourt Tower, West Way
Oxford, OX2 0JJ

Carter Jonas
Anchor House, 269 Banbury Rd
Oxford, OX2 7LL

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](https://twitter.com/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 2018

The Members of the Governing Body present their Annual Report for the year ended 31 July 2018 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 finalised during the year and came into effect on the same date as the new statutes: 1 February 2018. These new statutes replace and supercede in their entirety the existing ones in connection with a comprehensive review of the College's governance and administrative arrangements. In particular to formally state in the governing document 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.

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 that are also employees of the College receive remuneration for their work as employees of the College which is set based on the advice of the College's Remuneration Committee, members of which are the Master, Finance Bursar, Senior Tutor and a Fellow not in receipt of remuneration

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from the College and three external 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 the College with 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 their policies and monitoring the implementation of these 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 the financial affairs of the College and meets three times a term. The Finance Committee reviews the financial implications of recommendations made by the other standing committees of the College as well as receiving reports from its two sub-committees; the remuneration committee and the investment committee. The remuneration committee 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 considers the College's investment strategy for its endowments and makes recommendations for its implementation. The investment committee includes four expert external members. In this year, they were, John Authers, Tim del Nevo, Gavin Ralston and James Anderson.
- The General Purposes Committee considers a range of operational issues.
- The Premises Committee considers and prioritises candidate capital and maintenance projects.
- The Development Committee considers the College's fundraising initiatives and its ongoing links with Old Members of the College.

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 Domestic Bursary, Treasury and Works Department, Academic Office and Development Office. The College has also constituted three other committees to develop policies and make recommendations in the following areas: IT, Research and Audit. The external members of the Audit Committee are Minesh Shah and Gilly Lord. Alastair White stepped down during the year having served since the inception of the Committee. They provide independence by virtue of not being trustees or employees of the College. The Audit Committee reports directly to the Governing Body.

The Audit Committee meets typically three times per year to support the Trustees with an additional perspective of audit and risk management matters. The Committee critically reviews the prior year statutory accounts and the Annual Report; gathers perspective on the internal and external risks to the College achieving its objectives, and reviews the management responses to those risks. This year it also selected and appointed a new auditor.

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The Governing Body appointed Crowe U.K. LLP as auditor during the year.

Structure and relationships

The College administers many special trusts, as detailed in Notes 14 and 15 to the financial statements.

The College, though autonomous, may be regarded as a member of the collegiate University of Oxford. Material interdependencies between the University and the College arise as a consequence of this relationship.

OBJECTIVES AND ACTIVITIES

Charitable Objects and Aims

The College's 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;
- 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 implement a new bridging programme providing 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;
- 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.

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ACHIEVEMENTS AND PERFORMANCE

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

Degrees Awarded	2017-18	2016-17
Undergraduate	99	97
1 st & Upper 2 nd Class	91%	100%
Taught Graduate	36	24
Research Graduate	50	25

The total of scholarships, prizes, grants, bursaries and hardship awards in 2018 was £1,073k (2017: £841k) including Oxford Opportunity Bursary payments (Note 6). In addition, further awards totalling £84k (2017: £76k) 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 2017-18 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	2017-18	2016-17
Graduates*	39%	37%
Undergraduates*	22%	20%

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

Dropout rates at the College continue to be exceptionally low compared to the national average of 7.5% in 2015-16 (Higher Education Statistics Agency ("HESA") Non-continuation following year of entry 2015-16).

	2017-18	2016-17
% of Undergraduates that do not continue their course after the first year	0.00%	1.83%

The College has continued its ambitious schools liaison activity. During the academic year September 2017 to August 2018 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 and have grown in popularity with an extra day for English and History, and an extra half day for Mathematical Sciences being run due to high demand. The College's tutors offered taster lectures, therefore, over six full days and one half day spread across Hilary and Trinity terms, giving the opportunity for over 350 talented students to visit the College and engage with subjects they are considering for University.

The College's digital outreach continues to encourage 'super-curricular' learning. A student intern has been employed to upload new resources and book reviews to Staircase12.org, as well as plan content for social media channels.

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The College's Student Ambassador Scheme continues strongly with roughly seventy on the scheme supporting inbound visits with tours, Q&As, and academic tasters and making their own independent visits to schools. Funds from the OMT Student Support and Access Committee which have previously been spent on the Ambassador 'Roadshow' to Stoke-on-Trent, this year have been redirected to employ an intern and to provide funding support for schools, students or teachers making visits to us. Schools have been offered support for travel costs and/or teacher cover if they are from more 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.

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 2018 there were 7.1 FTE junior researchers employed by the College (2017: 9.8 FTE). The College also specifically allocated £125k (2017: £129k) 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 for its academic delivery. Major works were completed at Harberton Mead, acquired in 2016, enabling the accommodation of an extra 20 students from October 2017. The development project to expand and enhance the accommodation provision at the College's north Oxford satellite campus was also progressed and is reported separately. A total of £4.4m (2017: £5.7m) was spent on capital projects.

The College's deployment of its bond proceeds continues (a total bond 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 a surplus of investment income on new assets over the cost of servicing the debt, which thereby provides, over the long term, support for College operations.

Investment returns were again strong, with a total return on the College's investments, after fees and interest on the College's bonds, of 8.3% (2017: 12.2%). Gains on investments totalled £6.2m (2017: £11.9m).

Development activity

2017-18 was a positive year for the College in terms of its fundraising despite the uncertainty arising from Brexit and the impact of the College's operations meeting the additional demands of the EU General Data Protection Regulations (GDPR) running up to and following 'Enforcement Day' in May 2018. These two external factors had implications on the College's ability to solicit funds from its Old Members as the College took a careful and deliberate approach to strive for GDPR compliance and to meet any concerns of its constituencies. Nevertheless, the College was able to grow its new commitments by 25% (£5.5m compared with £4.4m in 2016-17) and its Annual Fund surpassed £1m for the fifth year in a row. These are pleasing results which reflect the commitment and generosity of the College's supporters, and to whom the College remains deeply grateful.

The College is attentive to trends arising from GDPR and its influence. The Annual Fund saw a 5.7% decline in funds raised and a drop in the overall number of gifts received relative to the previous year. Donor numbers (1929 individuals) were down overall by 9% and this reflects the challenges of fundraising in the era of GDPR. The College received 5 fewer major gifts (gifts of £25,000 or more) achieving 11 commitments overall which may be an expression of, hopefully temporary, uncertainty about the British economy in the wake of Brexit. Despite this, those fewer donors made larger individual gifts helping major gifts to grow in its new cash and commitment totals to above £4 million. During the year, two benefactors made commitments of seven figures, £1.87m and £1.3m respectively, in support of the College's endowment for postgraduate scholarships in the Humanities and for a new proposed Fellowship in Computer Science. The increased per capita generosity of the College's contributors means that the College's overall fundraising remained healthy over the period.

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Applying the regulations and spirit of GDPR has required the College to adjust its business practices in fundraising, and it has taken some time to digest and refine its approaches. The student calling programmes have had to be adjusted, along with the hard copy solicitation mailings and electronic email appeals. A new privacy notice has come into force and this was sent to all the College's alumni and supporters. A link is included to our privacy notice in all communications as well as an opt-out option. Simply stated, the need to renew explicitly Old Member authorisations and consents took time. Improving the security of alumni records, personal data storage, and the implementation of reasonable and realistic retention schedules has been progressed materially this year, but continued vigilance and refinement of the College's processes continue to ensure that the College respects the trust its supporters have in its record keeping.

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 6-monthly 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 increased its provision slightly to reflect the increased expenditures and economic uncertainties both local to Oxford and nationally.

Total Funds

Total funds of the College at the year-end amounted to £206.9m (2017: £198.4m). This includes endowment capital of £132.7m (2017: £124.9m) and unspent restricted income funds totalling £11.7m (2017: £11.9m). Free reserves at the year-end amounted to £4.3m (2017: £3.4m), representing retained unrestricted income reserves excluding an amount of £52.3m for the book value of tangible fixed assets less associated funding arrangements, and funds designated at the year-end amounting to £5.9m (2017: £5.9m).

The College also holds certain designated funds for educational & research purposes - see note 15.

Risk management and Internal Controls

The College has ongoing processes which operated throughout the financial year 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. All College committees, Finance and Investment included, are subject to review by the Audit Committee from time to time. The Domestic Bursar reviews health and safety issues with other departmental heads. Training courses and other forms of career development are available, when requested, to members of staff to enhance their skills in risk-related areas.

The Governing Body 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 controls and risk management systems. The members of the audit committee during the year were Bill Roscoe (Chair), Andrew Ker, John Morton and two external members Minesh Shah and Alastair White.

Risks are reviewed under the headings of: Governance; Operational; Financial; External and Compliance. The overarching 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

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Report of the Governing Body

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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 scrutinised by the Finance Committee. Appropriate liquidity is maintained within the endowment assets. Insurances are extensive and are reviewed annually. The Investment Committee (including 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 with law & regulation – 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 drive the management action and vested effort. 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.

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. This is 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. The Investment and Finance Committees regularly review and challenge financial performance, and guide the modification of spending and investment plans accordingly.
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, and participation in Open Offer schemes. Adherence in admissions to the University's common framework.

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Title	Enduring Risk	Potential Impact	Management
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.
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.
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.
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 either of 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, the impact of the 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:

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Title	Emerging Risk	Potential Impact	Management
Financial - North Oxford expansion (also see below)	The expanded north Oxford site and a material development (up to £40 million) creates the potential for financial distress.	Worst outcome includes enduring inability to fund core activities and/or sustain College's endowment.	The north Oxford development project, which is at an early stage, has been subject to its own rigorous risk management process, with repeated review by Finance Committee and Governing Body. Management action throughout has been to manage this risk.
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, while liquid resources of the endowment exceed £35 million.
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 promotion of GDPR expectations through department heads and staff. Statutory DP Officer ("DPO") appointed (Mrs Tara Jay of ClearComm), Staff training progressed, and fellowship awareness. End year analysis by the DPO suggests that this additional effort does not need to be repeated and the risk will be handled 2018/19 forward 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. Consultations ongoing on revised pension change with less demanding recommendations. Risk has reduced but has not gone away. Given College's limited influence, close monitoring is 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.

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Year ended 31 July 2018

To meet these objectives the College's investments are managed so as to maintain diversification across a range of asset classes in order 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.

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. At the year end, the College's long term investments, combining the securities and property investments, totalled £196.1m (2017: £192.0m). The overall total investment return was 8.3% (2017: 12.2%) over the year. Since the inception of the Investment Committee (31 July 2002) the annualised return to 31 July 2018 is 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 develop its new scheme to support and admit more undergraduate applicants from the most disadvantaged backgrounds;
- 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 Tutorial Fellowships in those areas where additional teaching capacity is most needed on an ongoing basis;
- x. to establish new research and teaching posts for early career academics, and
- xi. 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.

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.

UNIVERSITY COLLEGE
Report of the Governing Body
Year ended 31 July 2018

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 28 November 2018 and signed on its behalf by:

Sir Ivor Crewe

Master

Independent auditor's report to the trustees of University College

Year ended 31 July 2018

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 2018 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 2018 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 £7.9m (FY17 £9.9m), based on 4% of net assets. In addition, we determined a lower materiality level applicable for any particular classes of transactions, account balances or disclosures. Specific materiality of £195k which represents approximately 1% of income is applied to account balances not related to fixed assets.

Independent auditor's report to the trustees of University College

Year ended 31 July 2018

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 £10k (2017: £19k). 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.

<i>Key audit matter</i>	<i>How the scope of our audit addressed the key audit matter</i>
<i>Income recognition</i> The key risks in this area were identified as follows. <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?).• Accuracy (where income is owed at year end, is it likely to be received or should it be provided against?).	<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 amounts included in the financial statements.• Completing 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>

Independent auditor's report to the trustees of University College

Year ended 31 July 2018

We were also required to presume that there may be risks of fraud in the recognition of income in the financial statements and conducted our audit testing accordingly.

Investment property

The college has a significant property portfolio, with a carrying value of £70.5m, which is classified as Investment property to 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 influence the significant judgements and estimates in respect of property valuations in order to achieve 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 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

Independent auditor's report to the trustees of University College

Year ended 31 July 2018

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:

- 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 15 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 2 May 2018 to audit the college financial statements for the year ended 31 July 2018 and subsequent financial periods. This is the first period of our engagement.

Independent auditor's report to the trustees of University College

Year ended 31 July 2018

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 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

29 November 2018

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 2018

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 2018 were £10.0m (2017: £10.3m). Its incoming resources for the year then ended were £201k (2017: £291k) and it contributed £257k (2017: £274k) 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 two multi-employer defined benefit pension plans, the Universities Superannuation Scheme (“USS”) & the Oxford Staff Pension Scheme (“OSPS”). In the judgement of the Governing Body there is insufficient information about the plans’ assets and liabilities to be able to reliably account for its shares of the defined benefit obligations and plans’ assets in the financial statements and therefore the plans are accounted for as defined contribution schemes (see note 18). The College does however recognise its share of the deficit plans currently in place on both schemes. The College has concluded that the current schedule of contributions is the correct one to use given the uncertainty over the latest but not finalised 2017 valuation (see note 18). Assumptions have been made on future salary increases and membership levels (see note 18).

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 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.

UNIVERSITY COLLEGE

Statement of Accounting Policies

Year ended 31 July 2018

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.

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

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

5) Expenditure

Expenditure is accounted for on an accruals basis. A liability and related expenditure is recognised when a legal or constructive obligation commits the College to expenditure that will probably require settlement, the amount of which can be reliably measured or estimated.

Grants awarded that are not performance-related are charged as an expense as soon as a legal or constructive obligation for their payment arises. Grants subject to performance-related conditions are expensed as the specified conditions of the grant are met.

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

UNIVERSITY COLLEGE

Statement of Accounting Policies

Year ended 31 July 2018

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

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

UNIVERSITY COLLEGE

Statement of Accounting Policies

Year ended 31 July 2018

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 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).

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.

UNIVERSITY COLLEGE

Statement of Accounting Policies

Year ended 31 July 2018

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 2018

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2018 Total £'000	2017 Total £'000
INCOME AND ENDOWMENTS FROM:						
Charitable activities:	1					
Teaching, research and residential		6,678	225	-	6,903	6,376
Donations and legacies	2	930	581	2,101	3,612	6,953
Investments						
Investment income	3	122	6,113	-	6,235	5,913
Other income		46	-	-	46	10
Total income		7,776	6,919	2,101	16,796	19,252
EXPENDITURE ON:						
Charitable activities:	4					
Teaching, research and residential		5,127	5,967	114	11,208	10,755
Generating funds:						
Fundraising		290	181	441	912	937
Investment management costs		124	126	589	839	900
Interest payable on bond and senior note		1,480	-	-	1,480	1,312
Total Expenditure		7,021	6,274	1,144	14,439	13,904
Net Income before gains		755	645	957	2,357	5,348
Net gains on investments	9, 10	-	175	6,002	6,177	11,875
Net Income		755	820	6,959	8,534	17,223
Transfers between funds	14	162	(948)	786	-	-
Net movement in funds for the year		917	(128)	7,745	8,534	17,223
Fund balances brought forward	14	61,609	11,862	124,915	198,386	181,163
Funds carried forward at 31 July		62,526	11,734	132,660	206,920	198,386

University College
Balance Sheet
As at 31 July 2018
Charity No. 1141259

	Notes	2018 £'000	2017 £'000
FIXED ASSETS			
Tangible assets	8	58,016	54,597
Property investments	9	70,456	68,236
Other investments	10	125,700	123,778
Total Fixed Assets		254,172	246,611
CURRENT ASSETS			
Stocks		78	89
Debtors	11	2,838	2,655
Cash at bank and in hand		3,500	3,380
Total Current Assets		6,416	6,124
LIABILITIES			
Creditors: Amounts falling due within one year	12	2,967	3,601
NET CURRENT ASSETS		3,449	2,523
TOTAL ASSETS LESS CURRENT LIABILITIES		257,621	249,134
CREDITORS: falling due after more than one year	13	49,340	49,321
NET ASSETS BEFORE PENSION ASSET OR LIABILITY		208,281	199,813
Defined benefit pension scheme liability	18	1,361	1,427
TOTAL NET ASSETS		206,920	198,386
FUNDS OF THE COLLEGE			
Endowment funds		132,660	124,915
Restricted funds		11,734	11,862
Unrestricted funds			
Designated funds		58,210	58,208
General funds		4,316	3,401
		206,920	198,386

The financial statements were approved and authorised for issue by the Governing Body of University College on 28 November 2018.

Trustee: Sir Ivor Crewe

Trustee: Dr Andrew I Grant

University College
Statement of Cash Flows
For the year ended 31 July 2018

	Notes	2018 £'000	2017 £'000
Net cash used in operating activities	22	<u>(3,663)</u>	<u>(3,427)</u>
Cash flows from investing activities			
Dividends, interest and rents from investments		6,235	5,913
Investment management expenses		(839)	(900)
Proceeds from the sale of property, plant and equipment		144	308
Purchase of property, plant and equipment		(4,413)	(5,697)
Proceeds from sale of investments		39,987	26,203
Purchase of investments		<u>(34,147)</u>	<u>(40,605)</u>
Net cash (used in) provided by investing activities		<u>6,967</u>	<u>(14,778)</u>
Cash flows from financing activities			
Interest payable on bond and senior note		(1,480)	(1,312)
Cash inflows from new borrowing		-	9,838
Receipt of endowment donations		2,101	4,880
Net cash provided by financing activities		<u>621</u>	<u>13,406</u>
Change in cash and cash equivalents in the reporting period		<u>3,925</u>	<u>(4,799)</u>
Cash and cash equivalents at the beginning of the reporting period		9,487	14,287
Cash and cash equivalents at the end of the reporting period	23	<u>13,412</u>	<u>9,487</u>

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1 INCOME FROM CHARITABLE ACTIVITIES

	2018	2017
	£'000	£'000
Teaching, Research and Residential		
Unrestricted funds		
Tuition fees - UK and EU students	1,698	1,578
Tuition fees - Overseas students	808	650
Other HEFCE support	264	249
Other academic income	67	74
College residential income	3,841	3,625
	<u>6,678</u>	<u>6,176</u>
Restricted funds		
Other academic income	225	200
Total Teaching, Research and Residential Income	<u>6,903</u>	<u>6,376</u>

The above analysis includes £1,652k received from Oxford University from publicly accountable funds under the CFF Scheme (2017: £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 (2017: £19k). These are not included in the fee income reported above.

2 DONATIONS AND LEGACIES

	2018	2017
	£'000	£'000
Donations and Legacies		
Unrestricted funds	930	1,458
Restricted funds	581	615
Endowed funds	2,101	4,880
	<u>3,612</u>	<u>6,953</u>

3 INVESTMENT INCOME

	2018	2017
	£'000	£'000
<i>Unrestricted funds</i>		
Agricultural rent	2	2
Commercial rent	64	67
Other property income	11	10
Equity dividends	27	28
Income from fixed interest stocks	18	16
	<u>122</u>	<u>123</u>
<i>Restricted funds</i>		
Agricultural rent	114	94
Commercial rent	3,217	3,151
Other property income	543	488
Equity dividends	1,344	1,310
Income from fixed interest stocks	877	742
Interest on fixed term deposits and cash	18	5
	<u>6,113</u>	<u>5,790</u>
Total Investment income	<u>6,235</u>	<u>5,913</u>

4 ANALYSIS OF EXPENDITURE

	2018	2017
	£'000	£'000
Charitable expenditure		
Direct staff costs allocated to:		
Teaching, research and residential	4,557	4,348
Other direct costs allocated to:		
Teaching, research and residential	4,749	4,536
Support and governance costs allocated to:		
Teaching, research and residential	1,902	1,871
Total charitable expenditure	<u>11,208</u>	<u>10,755</u>

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4 ANALYSIS OF EXPENDITURE (CONTINUED)	2018 £'000	2017 £'000
Expenditure on raising funds		
Direct staff costs allocated to:		
Fundraising	493	459
Other direct costs allocated to:		
Fundraising	237	292
Investment management costs	202	211
Interest payable on bond and senior note	1,480	1,312
Support and governance costs allocated to:		
Fundraising	182	186
Investment management costs	637	689
Total expenditure on raising funds	3,231	3,149
Total expenditure	14,439	13,904

The 2017 resources expended of £13,904k represented £6,614k from unrestricted funds, £6,153k from restricted funds and £1,137k 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 £0k (2017:£88k).

5 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

	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 (income)/charges	(7)	(45)	(52)
Governance costs	78	77	155
	819	1,902	2,721

	Generating Funds £'000	Teaching and Research £'000	2017 Total £'000
Financial administration	252	477	729
Domestic administration	31	283	314
Human resources	-	47	47
IT	8	146	154
Depreciation	-	815	815
Profit on sale of fixed assets	-	(88)	(88)
Investment management	503	-	503
Other finance charges/(income)	21	134	155
Governance costs	60	57	117
	875	1,871	2,746

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.

	2018 £'000	2017 £'000
Governance costs comprise:		
Auditor's remuneration - audit services	37	38
Auditor's remuneration - tax advisory services	-	-
Legal and other fees on constitutional matters	39	13
Other governance costs	79	66
	155	117

University College
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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	2018	2017
	£'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	51	148
Bursaries and hardship awards	46	8

Total unrestricted	97	156
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Restricted funds

Grants to individuals:

Scholarships, prizes and grants	832	546
Bursaries and hardship awards	144	139

Total restricted	976	685
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Total grants and awards	1,073	841
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Within the total bursaries and hardship awards figure of £190k above, is the cost to the College of the Oxford Bursary scheme of £96k (2017:£94k). Students of this college received £78k (2017: £83k). Some of those students also received fee waivers amounting to £3k (2017: £20k).

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

7 STAFF COSTS

The aggregate staff costs for the year were as follows.	2018	2017
	£'000	£'000

Salaries and wages	4,900	4,741
Social security costs	412	400
Pension costs:		
Defined benefit schemes	714	734
Other benefits	153	205
	6,179	6,080

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

	2018	2017
Tuition and research	48	47
College residential	96	93
Fundraising	9	7
Support	14	14
Total	167	161

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

University Lecturers	24	23
CUF Lecturers	8	8
Other teaching and research	3	3
Other	7	6
Total	42	40

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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:

£60,001-£70,000	2018	2017
	<u>1</u>	<u>1</u>

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

In defined benefits schemes	<u>1</u>	<u>1</u>
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8 TANGIBLE FIXED ASSETS

	Land and Buildings: General £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost or deemed cost			
At start of year	58,620	1,963	60,583
Reclassification of building	-	-	-
Additions	4,235	178	4,413
Disposals	(107)	-	(107)
At end of year	<u>62,748</u>	<u>2,141</u>	<u>64,889</u>
Depreciation and impairment			
At start of year	4,536	1,450	5,986
Depreciation charge for the year	663	228	891
Depreciation on disposals	(4)	-	(4)
At end of year	<u>5,195</u>	<u>1,678</u>	<u>6,873</u>
Net book value			
At end of year	<u>57,553</u>	<u>463</u>	<u>58,016</u>
At start of year	<u>54,084</u>	<u>513</u>	<u>54,597</u>

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	2018 Total £'000	2017 Total £'000
Valuation at start of year *	6,235	62,001	68,236	62,286
Additions and improvements at cost	254	80	334	3,963
Disposals net proceeds & transfers	-	-	-	(1,741)
Revaluation gains in the year	164	1,722	1,886	3,728
Valuation at end of year	<u>6,653</u>	<u>63,803</u>	<u>70,456</u>	<u>68,236</u>

* Corrected split between "Agricultural" & "Commercial". 2017 closing values incorrectly showed Agricultural as £5,582k & Commercial as £62,654k.

Estates land and property valuations as at 31 July 2018 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.

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10 OTHER INVESTMENTS

All investments are held at fair value.

	2018 £'000	2017 £'000
Valuation at start of year	123,778	108,886
New money invested	33,813	36,642
Amounts withdrawn	(39,987)	(24,462)
Increase/(Decrease) in cash held by fund manager	3,805	(5,435)
Increase in value of investments	4,291	8,147
Investments at end of year	125,700	123,778

Investments comprise:	Held outside		2018 Total £'000	Held in		2017 Total £'000
	the UK £'000	the UK £'000		the UK £'000	the UK £'000	
Equity investments	18,015	34,007	52,022	17,067	31,049	48,116
Global equity funds	14,011	-	14,011	12,950	-	12,950
Property funds	-	11,969	11,969	-	12,254	12,254
Fixed interest stocks	30,046	4,414	34,460	26,957	13,877	40,834
Alternative and other investments	3,326	-	3,326	3,511	6	3,517
Fixed term deposits and cash	-	9,912	9,912	-	6,107	6,107
Total investments	65,398	60,302	125,700	60,485	63,293	123,778

11 DEBTORS

	2018 £'000	2017 £'000
Amounts falling due within one year:		
Trade debtors	599	434
Amounts owed by College members	266	383
Loans repayable within one year	75	79
Prepayments and accrued income	1,133	1,009
Other debtors	15	-
Amounts falling due after more than one year:		
Loans	750	750
	2,838	2,655

12 CREDITORS: falling due within one year

	2018 £'000	2017 £'000
Trade creditors	470	774
Taxation and social security	187	167
College contribution	-	100
Accruals and deferred income	2,040	2,315
Other creditors	270	245
	2,967	3,601

13 CREDITORS: falling due after more than one year

	2018 £'000	2017 £'000
Bonds and Senior Note liabilities	49,340	49,321

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.

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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 2017 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2018 £'000
Endowment Funds - Permanent						
Dr Radcliffe's Linton Estate (1714)	12,828	-	(34)	-	413	13,207
Oxford Radcliffe Scholarships (2013)	11,757	-	(28)	-	336	12,065
Univ 20/20 Strategy (2007)	5,906	-	(15)	-	178	6,069
J G Weir (1954)	4,765	-	(13)	-	154	4,906
Univ 20/20 Endowment (2007)	4,671	-	(12)	-	147	4,806
Radcliffe Travelling Fellow(1858)	4,506	-	(12)	-	145	4,639
John Freeston Trust (1592)	2,897	-	(8)	-	93	2,982
Maintenance Trust Fund (1932)	2,130	-	(6)	-	69	2,193
Sir E A Wallis Budge (1935)	1,927	-	(5)	-	62	1,984
Sanderson Modern History Fellow (2012)	1,850	-	(5)	-	60	1,905
McConnell Laing Classics (1999)	1,715	-	(5)	-	58	1,768
Margaret Candfield English (1997)	1,687	-	(5)	-	54	1,736
The Bouverie Trust (1979)	1,559	-	-	-	-	1,559
Tacchi Fellowship (2008)	1,401	-	(4)	-	48	1,445
Dunhill Foundation Trust (1988)	1,372	-	(4)	-	44	1,412
Schrecker Slavonic Studies (2007)	1,355	-	(4)	-	44	1,395
O.M. Organic Chemistry Fellow (1990)	1,347	-	(4)	-	44	1,387
Harold Salvesen Junior Fellow (1964)	1,319	-	(3)	-	42	1,358
Scott JRF Fund (2001)	1,272	-	(3)	-	44	1,313
Swire Graduate History Scholarship (2012)	1,228	-	(3)	-	39	1,264
Modern History Fund (1999)	1,189	-	(3)	-	32	1,218
Robert Mynors (1922)	1,175	-	(3)	-	38	1,210
Goodman Fellowship Fund (1986)	1,101	-	(3)	-	35	1,133
Modern History Fund II (2001)	1,126	1	(4)	-	46	1,169
Rayne Physics (1980)	1,054	-	(3)	-	34	1,085
Oxford Burma Graduate Scholarship (2016)	1,023	-	(2)	-	29	1,050
Pye Fellowship (1998)	1,018	-	(3)	-	32	1,047
Oxford Anderson History Graduate Scholarship (2014)	506	500	(3)	-	39	1,042
Levison Physics (1996)	1,004	-	(3)	-	33	1,034
Beaverbrook Fund (1979)	1,025	-	-	-	-	1,025
44 Other Funds	16,137	183	(41)	25	482	16,786
Endowment Funds - Expendable						
Univ. Capital Fund	22,342	247	(757)	784	2,778	25,394
Hoffman Law Fellowship	1,831	5	(28)	-	62	1,870
Oxford-Univ-Rhodes Graduate Scholarship (2017)	1,307	124	(48)	2	61	1,446
40 Other Funds	5,585	1,041	(70)	(25)	227	6,758
Total Endowment Funds	124,915	2,101	(1,144)	786	6,002	132,660
Restricted Funds						
Geary Hill Fund (1987)	1,568	39	(43)	-	49	1,613
Radcliffe Travelling Fellow (1858)	1,536	115	(3)	-	36	1,684
Univ 20/20 Strategy (2007)	917	141	-	-	-	1,058
130 Other Funds	7,841	6,624	(6,228)	(948)	90	7,379
Total Restricted Funds	11,862	6,919	(6,274)	(948)	175	11,734

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14 ANALYSIS OF MOVEMENTS ON FUNDS (CONTINUED)

	At 1 August 2017 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2018 £'000
Unrestricted Funds						
General	3,401	7,684	(6,931)	162	-	4,316
Fixed Asset Designated Fund	52,345	-	-	-	-	52,345
Major Repair Fund	1,294	-	-	-	-	1,294
Master's Stipend Fund	1,210	51	(51)	-	-	1,210
Overbrook Foundation	1,024	41	(39)	-	-	1,026
17 Other Funds	2,335	-	-	-	-	2,335
						-
Total Unrestricted Funds	61,609	7,776	(7,021)	162	-	62,526
Total Funds	198,386	16,796	(14,439)	-	6,177	206,920

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	2018 Total £'000
Tangible fixed assets	58,016	-	-	58,016
Property investments	-	1,468	68,988	70,456
Other investments	6,522	10,266	108,912	125,700
Net current assets	3,449	-	-	3,449
Provisions	-	-	-	-
Long term liabilities	(1,361)	-	(49,340)	(50,701)
	62,526	11,734	132,660	206,920

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2017 Total £'000
Tangible fixed assets	54,597	-	-	54,597
Property investments	-	1,501	66,735	68,236
Other investments	5,916	10,361	107,501	123,778
Net current assets	2,523	-	-	2,523
Provisions	-	-	-	-
Long term liabilities	(1,427)	-	(49,321)	(50,748)
	61,609	11,862	124,915	198,386

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
- Special Supernumerary Fellows
- Senior Research Fellows
- Chaplain
- Key Management

The key management comprise 5 trustees; The Master, Finance Bursar (previously the Estates Bursar, now retired), 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. 17 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 £1,330k (2017:£1,329k).

The total of pension contributions is £199k (2017:£213k).

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 Benefits £	Pension Contributions £	2018	2017
				Total £	Total £
Dr W Allan - Tutorial Fellow	48,628	1,180	9,584	59,392	63,727
Professor F Arntzenius - Tutorial Fellow	7,951	472	1,431	9,854	56,556
Dr P E G Baird - Tutorial Fellow	-	-	-	-	7,235
Dr M Barnes - Tutorial Fellow	20,802	1,180	3,791	25,773	26,219
Dr A Bell - Senior Tutor	70,938	-	12,769	83,707	82,309
Professor M Benedikt - Special Supernumerary Fellow	-	472	-	472	487
Dr J Benesch - Tutorial Fellow	21,439	944	3,791	26,174	25,411
Professor T W Child - Tutorial Fellow	26,385	-	4,609	30,994	29,915
Dr S Collins - Tutorial Fellow	22,262	944	3,791	26,997	26,214
Sir I M Crewe - The Master	100,987	12,307	-	113,294	111,527
Dr K L Dorrington - Tutorial Fellow	17,107	944	3,033	21,084	21,343
Dr M Galpin - Special Supernumerary Fellow	8,461	-	1,341	9,802	9,899
Professor J B Gardner - Professorial Fellow	-	-	-	-	1,217
Dr A I Grant - Finance Bursar	90,004	-	-	90,004	-
Revd Dr A Gregory - Chaplain	54,292	1,180	9,773	65,245	64,446
Professor Barend ter Haar - Professorial Fellow	-	944	-	944	1,217
Professor N Halmi - Tutorial Fellow	14,581	1,187	2,625	18,393	16,966
Dr L Hansen - Tutorial Fellow	16,654	1,180	2,998	20,832	13,290
Dr S Hansen - Tutorial Fellow	21,776	1,788	3,915	27,479	31,196
Professor J Hein - Professorial Fellow	-	472	-	472	487
Professor G M Henderson - Senior Research Fellow	2,700	-	1,180	3,880	3,872
Dr C J Holmes - Tutorial Fellow	48,518	1,180	8,733	58,431	57,512
Professor P D Howell - Tutorial Fellow	21,280	944	3,791	26,015	25,412
Dr B Jackson - Tutorial Fellow	43,118	1,180	7,761	52,059	51,087
Dr I Jacobs - Special Supernumerary Fellow	-	715	-	715	-
Professor P Jezzard - Professorial Fellow	5,607	-	1,009	6,616	6,506
Professor A Johnston - Tutorial Fellow	52,765	472	9,498	62,735	49,756
Dr P Jones - Tutorial Fellow	11,144	830	2,006	13,980	4,087
Dr L Kallet - Tutorial Fellow	32,806	944	6,749	40,499	44,476
Professor A Ker - Tutorial Fellow	21,061	472	3,791	25,324	24,925
Dr C Leaver - Special Supernumerary Fellow	-	472	-	472	487
Professor D Logan - Professorial Fellow	-	1,180	-	1,180	1,217
Mr F N Marshall - Estates Bursar until 11 August 2017	2,924	419	526	3,869	115,692
Professor S Mavroeidis - Tutorial Fellow	6,431	1,180	1,129	8,740	13,083
Dr K Milewicz - Tutorial Fellow	21,061	472	3,791	25,324	15,446
Dr J E S Moshenska - Tutorial Fellow	14,538	-	2,617	17,155	-
Professor R J Nicholas - Tutorial Fellow	17,067	472	3,072	20,611	20,387
Dr N Nikolov - Tutorial Fellow	14,815	944	2,468	18,227	17,679
Professor K O'Brien - Professorial Fellow	-	-	-	-	-
Dr C J Pears - Tutorial Fellow	22,017	1,180	3,791	26,988	27,086
Professor T Povey - Tutorial Fellow	21,061	944	3,791	25,796	25,461
Dr P Rebeschini - Tutorial Fellow	16,988	-	3,103	20,091	3,475
Professor A W Roscoe - Senior Research Fellow	2,992	944	473	4,409	4,592
Mr W A Roth - Development Director	95,295	472	17,187	112,954	111,131
Mr J Rowbottom - Tutorial Fellow	31,350	1,180	7,510	40,040	38,175
Professor T Sharp - Tutorial Fellow	20,766	1,180	3,791	25,737	26,008
Professor M J Smith - Senior Research Fellow	1,040	2,265	-	3,305	1,997
Dr M Smith - Tutorial Fellow	23,970	472	4,277	28,719	28,887
Dr S Smith - Tutorial Fellow	10,105	715	1,819	12,639	18,282
Professor M Stears - Tutorial Fellow	-	-	-	-	1,618
Professor T Stern - Tutorial Fellow	-	-	-	-	5,912
Professor C Terquem - Tutorial Fellow	21,120	1,180	3,791	26,091	26,219
Professor S C Tsang - Tutorial Fellow	10,036	1,180	1,806	13,022	12,861
Mrs A Unsworth - Domestic Bursar	69,096	1,180	12,705	82,981	82,191
Professor J F Wheeler - Senior Research Fellow	-	944	-	944	1,217
Professor N Woods - Senior Research Fellow	2,700	708	486	3,894	3,863
Professor N Yeung - Tutorial Fellow	21,530	1,180	3,750	26,460	25,503
Professor O Zimmer - Tutorial Fellow	48,518	472	8,733	57,723	56,782
	1,276,686	53,266	198,585	1,528,537	1,542,545

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.

Key management remuneration

The total remuneration paid to key management was £540k (2017: £556k).

Key management are considered to be The Master, the Senior Tutor, the Finance Bursar, (Estates Bursar now retired), 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 £364k (2017: £538k) in relation to the USS. This represents contributions of £429k (2017: £423k) payable to the USS as adjusted by the reduction in the deficit funding liability between the opening and closing balance sheet dates of £65k (2017: £115k increase).

USS's actuarial valuation as at 31 March 2014 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 will 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 will be 8% of salary; a defined contribution benefit for salary in excess of the salary threshold at the total level of 20% (8% employee, 12% employer) of salary in excess of the salary threshold; and optional additional contributions payable into the defined contribution section from 1 October 2016 of which the first 1% of salary is to be matched by employer contributions. Further details about the changes 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 a long term employer contribution rate of 18% pa of salaries for the period from 1 April 2016 to 31 March 2031. On the assumptions made and with the salary threshold and defined contribution section implemented this gives rise to deficit contributions of at least 2.1% p.a. of salaries. At 31 March 2018 USS reported that the funding deficit for the whole scheme was £8.4bn (88% funded).

USS' actuary has assumed that the investment return is 5.2% in year 1, decreasing linearly to 4.7% over 20 years. USS' actuary has assumed that general pay growth will be CPI in year 1, CPI + 1% in year 2 and RPI + 1% p.a. 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 0.8% p.a. As noted above the USS employer contribution rate is 18% of salaries from 1 April 2016. The total employer contributions include provisions for the cost of future accrual of defined benefits (DB) (net of member contributions to the DB section), deficit contributions, administrative expenses of 0.4% of salaries and from the implementation of the salary threshold the employer contribution towards defined contribution benefits including employer matching contributions and certain investment management costs relating to the DC section.

The 2017 actuarial valuation of USS has been undertaken but has not yet been formally completed. The 2017 valuation has set out the challenges currently facing the scheme and the likelihood of significant increases in contributions being required to address these challenges. In the judgement of the College, as the 2017 valuation has not formally completed, and there remains various stages of consultation around the key factors specifically relating to the funding of the past deficit, including the level of contributions required, the period of the recovery plan and the level of asset performance over the period, it remains appropriate to continue to account for the past deficit obligation in accordance with the plan agreed after the 2014 actuarial valuation. However, there is a significant risk that the year-end provision as calculated will not reflect the position following the final outcome of negotiations, potentially by a very significant amount depending upon what is finally agreed as regards future deficit contributions and their duration. The college expects to have greater clarity in this respect during the next financial year.

A provision of £673k has been made at 31 July 2018 (2017: £738k) 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 2% in year 1 and 2% thereafter. An average discount rate of 2.16% over the period to 31 March 2031 has been used.

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 £284k (2017: £338k) in relation to the OSPS. This represents contributions of £285k (2017: £311k) payable to the OSPS as adjusted by the reduction in the deficit funding liability between the opening and closing balance sheet dates of £1k (2017: £27k increase).

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 indexation based on the average of RPI and CPI, from 1 October 2017 a defined contribution section for new entrants and from 1 April 2018 breaking the final salary link for certain members and increased employee contributions. The actuary has certified that the recovery plan should eliminate the deficit by 30 June 2027. The next triennial valuation is due with an effective date of 31 March 2019.

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.

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18 PENSION SCHEMES (CONTINUED)

A provision of £688k has been made at 31 July 2018 (2017:£689k) 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 year 1, 2% in year 2, 5% in year 3 and 1% in year 4 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 1.95% 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:

	2018 £'000	2017 £'000
Financial assets at fair value through statement of financial activities:		
Investments	<u>125,700</u>	<u>123,778</u>
Financial assets that are debt instruments measured at amortised cost:		
Trade debtors	599	434
Amounts owed by College members	266	383
Loans repayable within one year	75	79
Accrued income	988	942
Other debtors	750	750
Cash and cash equivalents	<u>3,500</u>	<u>3,380</u>
	<u>6,178</u>	<u>5,968</u>
Financial liabilities that are debt instruments measured at amortised cost:		
Trade creditors	470	774
Taxation and social security	187	167
College contribution	-	100
Accruals and deferred income	2,040	2,315
Other creditors	270	245
Long term creditors	<u>49,340</u>	<u>49,321</u>
	<u>52,307</u>	<u>52,922</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 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.

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

	2018	2017		
Pounds sterling	51.0%	56.3%		
US dollar	31.9%	31.1%		
Euro	5.7%	4.4%		
Japanese Yen	5.2%	4.2%		
Other currencies	6.2%	4.0%		
	<u>100.0%</u>	<u>100.0%</u>		
	USD	Euro	Other	Total
	£'000	£'000	£'000	£'000
31 July 2018				
Financial assets	41,172	7,381	14,724	63,277
Financial liabilities	-	-	-	-
Total Exposure	<u>41,172</u>	<u>7,381</u>	<u>14,724</u>	<u>63,277</u>

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21 FINANCIAL INSTRUMENTS RISK (CONTINUED)

Impact on the net movement of funds for the year 2017/18				£'000
10% US dollar appreciation				4,117
10% Euro appreciation				738

	USD £'000	Yen £'000	Other £'000	Total £'000
31 July 2017				
Financial assets	39,506	5,539	10,508	55,553
Financial liabilities	-	-	-	-
Total Exposure	<u>39,506</u>	<u>5,539</u>	<u>10,508</u>	<u>55,553</u>

Impact on the net movement of funds for the year 2016/17				£'000
10% US dollar appreciation				3,951
10% Japanese Yen appreciation				554

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:

	2018 £'000	2017 £'000
Equity investments	66,033	61,066
Property funds	11,969	12,254
Fixed interest stocks	34,460	40,834
Alternative and other investments	3,326	3,517
Cash & Cash equivalents	13,412	9,487
Trade and other receivables	2,838	2,698
Total financial assets exposed to credit risk	<u>132,038</u>	<u>129,856</u>

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.

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 2018					
Bonds and Senior Note liabilities	740	740	5,921	110,144	117,545
Other creditors	115	-	-	-	115
Total at 31 July 2018	<u>855</u>	<u>740</u>	<u>5,921</u>	<u>110,144</u>	<u>117,660</u>
As at 31 July 2017					
Bonds and Senior Note liabilities	740	740	5,921	111,625	119,026
Other creditors	-	-	-	-	-
Total at 31 July 2017	<u>740</u>	<u>740</u>	<u>5,921</u>	<u>111,625</u>	<u>119,026</u>

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21 FINANCIAL INSTRUMENTS RISK (CONTINUED)

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 2018 the College held £34.5m (2017: £40.8m) 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 2018 total endowment funds were £128.6m (2017: £124.9m) - 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.

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

	2018 £'000	2017 £'000
Net Income	8,534	17,223
Elimination of non-operating cash flows:		
Investment income	(6,235)	(5,913)
Gains on investments	(6,177)	(11,875)
Endowment donations	(2,101)	(4,880)
Bonds & Senior Note Interest payable	1,480	1,312
Investment management costs	839	900
Depreciation	891	815
Surplus on sale of fixed assets	(41)	(88)
Decrease in stock	11	-
Increase in debtors	(183)	(832)
Decrease in creditors	(615)	(274)
Increase in provisions	-	43
(Decrease)/Increase in pension scheme liability	(66)	142
Net cash used in operating activities	(3,663)	(3,427)

23 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £'000	2017 £'000
Cash at bank and in hand	3,500	3,380
Other investments cash	9,912	6,107
Total cash and cash equivalents	13,412	9,487

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24 CAPITAL COMMITMENTS

The College had contracted commitments at 31 July 2018 for future capital projects totalling £1.895m (2017 :£nil).

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:

	2018	2017
	£'000	£'000
Not later than 1 year	3,380	3,420
Later than 1 year and not later than 5 years	9,677	11,791
later than 5 years	53,518	55,813
	66,575	71,024

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.

	2018	2017
	£'000	£'000
Professor N Yeung	112	114
Associate Professor B Jackson	286	292
Professor A Johnston	177	181
Associate Professor J Rowbottom	234	239
Associate Professor N Nikolov	227	232
Associate Professor P Jones	339	445
Total net book value of properties owned jointly with trustees	1,375	1,503

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

During the year a total of £1,867 was paid to William Unsworth & Samuel Unsworth (sons of a trustee) for work done as casual workers. Both were paid at the standard rate for similar casual workers undertaking similar duties. No amount remains outstanding at the year end.

27 CONTINGENT LIABILITIES

The College had no contingent liabilities at 31 July 2018 (2017: £nil).

28 POST BALANCE SHEET EVENTS

There are no post balance sheet events that require disclosure.