

# Somerville College

Annual Report and Financial Statements

Year ended 31 July 2021

**SOMERVILLE COLLEGE**  
**Annual Report and Financial Statements**  
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## SOMERVILLE COLLEGE

### Governing Body, Officers and Advisers

Year ended 31 July 2021

#### 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 members of the Governing Body during the year or subsequently are detailed below;

		1	2	3	4	5
Baroness Janet Royall, Principal	Principal	•	•	•	•	•
Professor Prateek Agrawal				•		
Professor Daniel Anthony				•	•	
Professor Jonathan Burton		•		•		
Professor Dan Ciubotaru	Leave MT20 – TT21			•		
Professor Robert Davies	Leave HT21			•		
Professor Julie Dickson	Leave TT21			•		
Professor Samantha Dieckmann				•	•	
Professor Beate Dignas	Dean MT20 – HT21			•		
Mr Julian Duxfield			•			
Professor Christopher Hare	Dean HT21 – TT21	•		•		
Professor Michael Hayward				•		
Professor Michelle Jackson				•		

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Ms Sara Kalim	Development Director				•	
Professor Simon Kemp				•		
Professor Robin Klemm				•		
Professor Margaryta Klymak				•		
Professor Aditi Lahiri				•		
Professor Renaud Lambiotte				•		
Dr Anne Manuel	Librarian, Archivist & Head of IT	•		•	•	•
Professor Lois McNay	Leave MT20			•		
Professor Mari Mikkola	Resigned 12/20			•		
Professor Louise Mycock				•		
Professor Karen Nielsen			•	•		
Dr Natalia Nowakowska		•		•		
Professor Patricia Owens	Leave HT21			•		
Mr Andrew Parker	Treasurer, Finance, Estates & Domestic Bursar	•	•	•	•	•
Professor Vivien Parmentier				•		
Professor Luke Pitcher	Leave MT20 – TT21			•		

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Professor Charlotte Potts				•		
Dr Stephen Rayner	Senior Tutor	•	•	•	•	•
Professor Stephen Roberts				•		•
Professor Elena Seiradake	Leave MT20			•		
Professor Steven Simon				•		•
Professor Francesca Southerden	Leave HT21			•	•	
Professor Charles Spence				•		
Professor Fiona Stafford				•		
Professor Richard Stone	Vice Principal MT20 – TT21	•	•	•	•	
Professor Almut Suerbaum				•		
Professor Annie Sutherland		•		•		
Professor Rajesh Thakker				•		
Professor Benjamin J Thompson				•		
Dr. Damian Tyler				•		
Professor Renier van der Hoorn				•		

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### Governing Body, Officers and Advisers

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Professor Stephen Weatherill				•		
Professor Philip West			•	•		
Professor Matthew Wood				•		
Professor Faridah Zaman			•	•		
Professor Noa Zilberman				•		

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

- (1) Standing Committee
- (2) Finance, HR & Equality Committee
- (3) Education Committee
- (4) Development Committee
- (5) IT Committee

### COLLEGE OFFICERS

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

Principal	<i>Baroness Janet Royall</i>
Senior Tutor	<i>Dr Stephen Rayner</i>
Treasurer (Finance & Estates Bursar)	<i>Mr Andrew Parker</i>
Domestic Bursar	<i>Mr Andrew Parker</i>
Development Director	<i>Ms Sara Kalim</i>
Librarian & Archivist & Head of IT	<i>Dr Anne Manuel</i>

## **SOMERVILLE COLLEGE**

**Governing Body, Officers and Advisers**

**Year ended 31 July 2021**

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### **COLLEGE ADVISERS**

#### **Investment managers**

Newton Investment Management Ltd

Oxford University Endowment Management

#### **Investment property advisers**

Cluttons

#### **Auditors**

Crowe U.K. LLP

#### **Bankers**

Barclays Bank Plc

#### **Solicitors**

Penningtons LLP

#### **College address**

Woodstock Road Oxford OX2 6HD

#### **Website**

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

## **SOMERVILLE COLLEGE**

### **Report of the Governing Body**

#### **Year ended 31 July 2021**

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The Members of the Governing Body present their Annual Report for the year ended 31 July 2021 under the Charities Act 2011 together with the audited financial statements for the year.

### **REFERENCE AND ADMINISTRATIVE INFORMATION**

Somerville College in the University of Oxford, which is known as Somerville College, (“the College”) is a tax exempt educational institution governed by a Charter and Statutes. The College was founded under the title of Somerville Hall in 1879 by a committee chaired by Dr Percival as a non-denominational hall of residence for women and in 1881 was incorporated as an association not intended for profit under the Companies Acts of 1862 and 1867. The title of College was adopted in 1894.

The College registered with the Charities Commission on 22<sup>nd</sup> December 2010 (registered number 1139440). 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 4.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Governing documents**

The governing document of the College is the 1951 Charter and Statutes of Somerville College, Oxford. In 1926 the College was incorporated by Royal Charter as “The Principal and Council of Somerville College”. In 1951 its statutes were amended to restrict membership of the Governing Body to the Principal and Fellows. In 1959, when it was admitted with the other Women’s Societies as a full College of the University, its corporate designation became “The Principal and Fellows of Somerville College in the University of Oxford”. The Special Statute of 1961 amended Paragraph (c) of Article 3 of the Charter concerning the investment objectives. In 1992 the Charter and Statutes were changed to enable the admission of men at both senior and junior level.

#### **Governing Body**

The Governing Body is constituted and regulated in accordance with the College Statutes, the terms of which are enforceable ultimately by the Visitor, who is the Chancellor of the University of Oxford. The Governing Body is self-appointing, and has such powers as are conferred on it by its Charter and, subject thereto and to the Statutes, has the entire direction and management of the affairs of the College.

The Governing Body appoints the Principal, Fellows, Senior Tutor, Tutors, Lecturers, Librarian, Treasurer and such administrative and other Officers as the Governing Body thinks necessary from time to time. The Governing Body appoints Committees and delegates to them such powers as it thinks fit.

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

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

New members of the Governing Body are normally recruited through a joint appointment process with the University of Oxford in the case of academics which includes open advertisement of the posts and a professional selection and appointment process. In the case of posts funded solely by the College, recruitment is also through open advertisement of the post followed by a professional selection and appointment process including external representatives as appropriate. New members of the Governing Body are inducted into the workings of the College, including Governing Body policy and procedures, through meetings with the Principal, the Senior Tutor and the Treasurer and the provision of a comprehensive set of reference documents.

Members of the Governing Body attend external trustee training and information courses as appropriate to keep them informed on current issues in the sector and on regulatory requirements.



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

Members of the Governing Body who are primarily Fellows are teaching and research employees of the College [or University] and receive no remuneration or benefits from their trusteeship of the College. Those trustees that are also employed officers of the College either have their remuneration set by the College's Remuneration Committee (The Principal, The Treasurer, The Development Director) or in line with the College's established paygrade system (The Senior Tutor, The Librarian). The majority of members of Remuneration Committee are either Professorial Fellows not in receipt of remuneration from the College or independent external appointments. Where possible, remuneration is set in line with that awarded to the University's academic staff, or external market forces where appropriate.

College Officers, the key management team, are set out on page 4.

### **Organisational management**

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

- **Standing Committee**  
Responsibility for agreeing the agenda for meetings of Governing Body; developing academic and other strategies for the College, and monitoring decision-making, and developments that bear on these strategies; considering academic appointments and bids for association with University posts; considering requests for buy-outs and leave, with particular attention to their impact on teaching resources; receiving the reports of ad hoc working groups; discussing items which by reason of their complexity and difficulty are beyond the remit of other committees, or which need further attention beyond that given to them in a specialised committee, e.g. Buildings Committee, Finance Committee; giving close consideration to policy issues within the wider University, and external bodies, in preparation for consultation with the Governing Body.
- **Finance, HR & Equality Committee**  
Responsibility for advising the Governing Body on all matters of financial policy and practice, and in particular on the financial implications of any proposals under consideration; presenting annual statements of accounts for the preceding year; approval of budgets and review of management accounts for each period; authorising exceptional expenditure from revenue and making recommendations in respect of capital expenditure; reviewing the college's investments and properties and income drawdown from investments; annual review of all charges made by the College; review of policy and administration relating to conferences, and approval of levels of charges; review of salaries for all College employees and others paid by the College as advised by the Remuneration Committee; considering other financial issues, as appropriate. Finance Committee also has responsibility for, HR, equality and diversity issues.
- **Education Committee**  
Responsibility for general policies and planning on teaching and learning; the progress, industry and conduct of undergraduates and graduates; the awarding of scholarships, exhibitions and prizes from the appropriate funds, and carrying out an annual review of award holders; examination results; the awarding of course and travel grants from the appropriate funds; the initiation of the College's academic disciplinary procedures in cases of students who fail to meet the standard of application and attendance expected by his or her Tutor; review and report to the Governing Body on the progress and welfare of student members and make recommendations to the Governing Body for the award of College scholarships, exhibitions and prizes.
- **Development Committee**  
Responsibility for recommendations on development and fundraising strategy and activities, liaison with the Development Board, which consists of external members.
- **IT Committee**  
Responsibility for developing recommendations on IT strategy, service levels and IT projects and provision of guidance and assistance to the IT function within the College.

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The Governing Body is also supported by additional committees, including Library, Nominations and Remuneration.

The day-to-day running of the College is delegated to the Principal, the Senior Tutor, and the Treasurer. They form a management team together with the Librarian and the Director of Development.

**Group structure and relationships**

The College administers many special trusts, as detailed in Notes 16 to 17 to the financial statements.

The College also has two wholly owned non-charitable subsidiaries: Somerville College Trading Limited, and Somerville College Developments Limited both of whose profits are donated to the College under the Gift Aid Scheme. The trading activities of Somerville College Trading Limited primarily comprise revenue from letting of the College facilities when not in use by the College. Somerville College Developments Limited is the vehicle through which the college undertakes major capital projects. The subsidiaries' aims, objectives and achievements are covered in the relevant sections of this report. The Margaret Thatcher Scholarship Trust, which is a company limited by guarantee is also part of the Group. The Trust has one member, Somerville College.

The College is part of the collegiate University of Oxford. Material interdependencies between the University and the College arise as a consequence of this relationship.

**Risk management**

The College is engaged in risk assessment on an on-going basis. Policies and procedures within the College are reviewed by the Finance Committee, chaired by the Principal. Financial and investment risks are assessed and monitored by the Finance Committee. In addition, the Treasurer, and department heads meet regularly to review operational and health and safety issues. Training courses and other forms of career development are available, when requested, to members of staff to enhance their skills in risk-related areas.

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

The most pressing and immediate risk to the college is the Covid 19 virus. The college had worked extensively over the summer of 2020 to put policies and protocols in place to ensure that its staff could work safely either in college or remotely from home, and to ensure that its students could live and study safely in college over the summer vacation and into Michaelmas Term 2020. As the efficacy of the vaccines has taken hold these protocols have been able to be relaxed in line with government regulations but remain under review. The virus has also had a significant, though not existential, impact on college finances. Income was down across many areas of college operations and the college has identified areas where it can reduce its expenditure without compromising its core activities.

Other than Covid the four principal risks identified in the College's risk register are;

- The potential impact of the UK leaving the European Union on students, academics and funding. The decision to leave the EU will have a significant adverse impact on research funding and on the college's ability to attract EU students and EU academics. The only mitigation available is to lobby government.
- The potential impact of the Teaching Excellence Framework on college funding and its academic reputation. The inappropriate application of the TEF may lead to the reputation of the college's teaching being damaged, which in turn may lead to reduced funding. Possible mitigation is to lobby government in the hope of influencing the application of the TEF.
- The escalating housing costs in Oxford act as a barrier to high calibre academics coming to college which in turn risks damaging academic achievement and reputation. Mitigations available are the joint

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equity scheme available to Fellows, the availability of some rental properties and paying housing allowance to Fellows.

- The impact of reduced government funding on teaching and research. Reduced government funding risks eroding the quality of teaching and research and risks damaging Oxford and Somerville's ability to compete internationally for the best academics and the best students. The best mitigation available to us is to lobby central government through the University.

## **OBJECTIVES AND ACTIVITIES**

### **Charitable Objects and Aims**

The College's Objects are:

- To provide for women and men who are members of the University of Oxford the protection and training of an Academic House and, with that object, to carry on the work of the old Association (known as Somerville Hall) with such modifications and changes as may from time to time appear desirable.
- To do all such other things as are incidental or conducive to advancing education, learning and research in Oxford and elsewhere.

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

The College's aims for the public benefit are:

- To advance education, learning and research, in particular by providing, in conjunction with the University of Oxford, an education for 435 undergraduate and 243 graduate students. This education is recognised internationally as being of the very highest standard and develops students academically, personally and socially, preparing them to play a full and effective role in society. In particular, the College provides:
  - teaching facilities and individual or small-group teaching, together with academic, pastoral and administrative support;
  - IT and other administrative support and welfare services, including the availability of the Junior Deans to assist every member of the College; and
  - social, cultural, musical, recreational and sporting facilities to enable students to realise as much as possible of their academic and personal potential whilst studying at the College.
- To advance research by providing:
  - official Fellowships, Career Development Fellowships, and Junior and Senior Research Fellowships to outstanding academics, to enable them to develop their research work and disseminate their research in the public domain; and
  - facilities and grants to assist with the pursuit of research, including grants for attendance at national and international academic conferences and assistance with the costs of research trips and research materials.

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

### **Activities and objectives of the College**

The College's principal activity, as specified in the College's Objects is to provide for members of the University of Oxford the protection and training of an Academic House.

In 2020.21, the College had 437 undergraduates and 235 graduates and admitted students in the following subjects: Biochemistry; Biological Sciences; Chemistry; Classics (including Joint Schools); Classical

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Archaeology & Ancient History; Computer Science; Engineering; English (including Joint Schools); Experimental Psychology; History (including Joint Schools); Law; Linguistics; Mathematics; Medicine; Modern Languages (including Joint Schools); Music, Philosophy, Politics & Economics; and Physics.

In order to assist undergraduates entitled to Student Support, the College provides, through a scheme operated in common with the University and other Colleges, bursary support for those of limited financial means. For the academic year 2020.21, the number of awards made was 83; 43 of the awards were for £3k or more; and the average value of the awards was £2.6k, with a total of £219k being disbursed in the year. The scheme is approved by the Office of Fair Access and provides benefits at a substantially higher level than the minimum OFFA requirement.

To support the costs of graduate students, the College provides substantial financial support. This includes scholarships to fund fees and living costs, 'top-up' funding to fill funding shortfalls in students' funding packages and a grant scheme to assist with the purchase of books and equipment, attendance at conferences and travel grants. The total amount expended by the College to graduate students in 2020.21 for this purpose was £336k.

The College also makes awards for academic development and has various scholarships and prizes available to reward academic excellence. During 2020.21 the College awarded £98k for this purpose.

In addition to its other programmes, the College operates a hardship scheme for students in financial hardship and provides access to hardship schemes operated by the University. For the academic year 2020.21 the College awarded £95k in discretionary loans and grants and provided £73k of free vacation residence.

A programme to encourage legacies to be made to the College is in place and annual fundraising campaigns include the provision of support for students suffering financial hardship.

**Public benefit**

The College remains committed to the aim of providing public benefit in accordance with its founding principles.

The College admits as students those who have the highest potential to benefit from the education provided by the College and the University and recruits as academic staff those who are able to contribute most to the academic excellence of the College. In the case of both students and academic staff, recruitment is regardless of financial, social, religious or ethnic background, age or gender:

- there are no geographical restrictions to those who may benefit from the College's aims and objects. Students and academic staff of the College are drawn from across the UK and internationally;
- there are no age restrictions in the College's objects but students of the College are predominantly between 18 and 24 years old; and
- there are no religious restrictions in the College's objects and members of the College have a wide variety of faith traditions or none.

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

The College maintains an extensive library so providing a valuable resource for students and Fellows of the College. The College makes its library available to members of other Colleges and the University of Oxford more widely, external scholars and researchers, as well as local children from maintained and other schools as part of educational visits.

The Trustees confirm that they have complied with the duty in Section 17 (5) of the Charities Act 2011 to have due regard to the guidance issued by the Charity Commission on public benefit. .

## **ACHIEVEMENTS AND PERFORMANCE**

### **Academic**

The academic year 2020.21 continued to bring great challenges in the shape of the ongoing Covid-19 pandemic, which had an enormous impact on the way teaching and admissions were delivered. Whilst students returned to college where possible in Michaelmas Term 2020, many were unable to travel to the UK, meaning that tutors had to work with a hybrid model, teaching both remotely and in person.

The number of first choice undergraduate applications specifically to Somerville is unavailable but the number of applications (including first choice applications and open applications assigned to the College), was 690 in 2020.21, down from the record 781 in 2019.20. It is not clear what has driven this drop in applications, and it will become apparent in 2021.22 whether this was a one-off drop or an ongoing trend requiring attention.

Owing to the pandemic, admissions interviews were moved to a completely remote model for the first time in Michaelmas Term 2020, with only 8 weeks given to plan and execute this new remote interview process. The Academic Office recruited a temporary member of staff to ensure that these revised operations would be delivered. Candidates were interviewed via Microsoft Teams, and although provision was made for interview delays due to technical problems, the technology proved mostly very stable. Considering the huge potential for failure, the remote admissions exercise was completed extremely smoothly thanks to the hard work of the admissions tutors, departmental co-ordinators, and the Academic Office team.

Following the over-recruitment of undergraduates in 2019.20 courtesy of the A-level centre-assessed grades U-turn in August 2020 and Somerville's large intake of open offer holders (which requires the underwriting college to accept the student if no other college accepts them, as happened across the board in August 2020), it was necessary to ask 11 candidates to defer entry to 2021.

This had to be factored into the number of offers made for 2021 entry alongside the likelihood that the vast majority of 2021 offer holders would also achieve their offer conditions in August 2021 because grades would not be awarded by examination. Therefore in 2020.21 116 offers were made, a notable decrease on the 146 offers made in 2019.20. Only two open offers were made in 2020.21 to maintain full control over our 2021 intake. The October 2021 undergraduate intake is of a standard level at 124, compared to 135 in October 2020.

All colleges subsidise the cost of teaching at Oxford and it will remain the case that only about half of the true costs are met from fees. The shortfall is covered by endowment income, income from commercial activities and income from philanthropy (donations and legacies). At Somerville almost 25% of our UK domiciled undergraduates receive additional financial assistance. In the 2020.21 admissions cycle, 66% of UK domiciled undergraduate applicants come from state schools, which is a little above the figure for the University. The final proportion of the accepted applications from UK applicants, as of August 2021, was 73%.

In-person Access activities were curtailed in 2020.21 thanks to the ongoing pandemic. The virtual materials prepared in 2019.20 allowed for continued engagement with schools on Access activities. The Access team are currently recruiting an additional member to focus on inward-facing access work, supporting existing students from diverse backgrounds. This post will be a one-year post drawn from the most recent pool of Somerville graduates, which has proved a highly successful strategy in a similar Development post.

The Oxford India Centre for Sustainable Development (OICSD) continues to develop and enhance its reputation as a forum for research focused on sustainable development in India, particularly of an interdisciplinary nature. Dr Radhika Khosla continued as Research Director researching into the impact of increasing demand for cooling systems as the planet heats up for which she and her colleagues won major funding the previous year. As ever, we are grateful to many distinguished academics from various fields who have generously given their time and wisdom in continuing to help the development of the Centre. The total number of OICSD scholars in the year was 16 with some of our research students having to extend their studies due to disruption arising from the global pandemic. Generous donations have provided a special fund to finance extensions to their studies and the University has recognised these difficulties and extended study

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periods and milestone deadlines where necessary. We expect our scholars to successfully complete their DPhils in due course.

Of the 14 Thatcher Scholars of 2019/20, four graduated and the remaining ten scholars were joined by eight new Thatcher Scholars in Michaelmas 2020. Of these, five are undertaking postgraduate studies (3 DPhil and 2 Masters), and three are undergraduates. There had originally been only two undergraduate awards to be made, but on examination of the accounts, the Trustees agreed that the performance of the endowment was such that it allowed for an extra undergraduate scholarship to be awarded. This scholarship was named the Sir John Vickers Thatcher Scholarship to mark Sir John's retirement as a Trustee. The Somerville Development Programme continued to provide valuable training for students mainly on-line, although there were some face-to-face seminars towards the end of the year, and some hybrid events which we will continue to test in the coming year. There were 18 applications for Thatcher Development Awards of which 11 were approved. Grants ranged from £710 to £2,000, with the mean grant being £1,269. The total funds disbursed for Thatcher Development Awards was £13,956. The figure is higher than in previous years as many of the projects from 2019/20 were unable to go ahead in their original form owing to the pandemic, meaning many of the grants were unable to be taken up. Five new graduate scholarships were awarded in the spring and summer of 2021 to start in Michaelmas term 2021. One of our current Oxford Thatcher Scholars has changed from full-time to part-time study and had been due to complete their studies at the end of the next academic year. They will now complete in Trinity term 2024.

In 2020.21 Somerville hosted seventeen Junior Research Fellows, spanning an enormous range of academic disciplines, with high quality applicants and great competition for places. The presence of such a large, diverse and talented population of researchers contributes significantly to the Somerville College community and enables these early career researchers to build interdisciplinary links. The range of studies has been immense, from subjects such as Medicine, Classics, Maths, Linguistics, Philosophy and others, with top rank quality being the only thing they all have in common.

The College continues to have a diverse Fellowship which is active in teaching and research. There is insufficient room to summarise the research of all our Fellows but some highlights, in no particular order, are given here. Professor Richard Stone was elected as Fellow of the Royal Academy of Engineering and also elected SAE (Society of Automotive Engineers) Fellow 2020, Associate Professor Noa Zilberman was awarded a prestigious Google Research Scholar Award for her research into the new generation of programmable network devices that will underpin the future of computing infrastructure., Professor Almut Suerbaum and Associate Professor Annie Sutherland, along with the Somerville Medievalist Research Group, published their book *Medieval Temporalities* and Professor Renier van der Hoorn, was awarded a €2.5m grant by the European Research Council to continue his work on developing new crop protection strategies by unlocking extracellular immunity.

Somerville Fellows also played a key role within the collegiate university through their role in the Divisions and Departments and also through their membership of several key committees and working groups. Benjamin Thompson continued as Associate Head (Education) of the Humanities Division, while Almut Suerbaum continued as Chair of the Faculty of Medieval and Modern Languages and Aditi Lahiri continued as Chair of the Faculty of Linguistics, Philology and Phonetics.

College Officers play key roles on various Conference of Colleges committees, including ICT Steering Committee, the committees of Estates Bursars, College Librarians and many more.

Providing a world-class education for our students, as well as for the generation of students to come after them, remains our highest priority. The current financial pressures on young people with regard to the higher education which will be vital in preparing them to make their way in the world today are well documented. Our resolve is that no student with the academic ability to study at Somerville should be unable to take up a place due to financial pressures.

**Fundraising, alumni relations and communications**

Although the pandemic continues to present a number of challenges, the year 2020.21 saw philanthropic donations to the College of more than £2.6 million in cash gifts and legacies. These include a significant final instalment of £820k from Sue and Kevin Scollan that completes their pledge of £2 million to support Somerville's Chemistry Fellowships and Stipendiary Lecturer. A gift of £505k established the *Dr Elizabeth Goulding Memorial Fund 2021* to promote excellence in French literature, and Somerville's Maths Fellowship received another major endowment gift of £180k. Lord Glendonbrook continued his support the MTST Scholarship Programme, and further support for the Oxford India Centre was received from UPL, an agro-chemical company that recently partnered with us to deliver an OpenAg symposium on Food Futures in a Changing Climate in September 2021.

2020.21 also saw a number of legacy gifts which include a generous bequest of £133k from the late Sheila Porter.

Although our regular giving strategy required recalibration during the global pandemic and some activities were paused, there were opportunities throughout the year to innovate. The annual Telethon was postponed; however a telephone fundraising project that could be delivered from home throughout the year was undertaken, and more than £50k was raised. Resulting conversations with Somervillians coping with lockdowns have enriched many of our relationships.

In October we launched a COVID Hardship Crowdfunder, which raised £142k to meet a number of unanticipated costs, from subsidising food and accommodation for isolating students, to raising additional student hardship funds, and to supporting additional IT requirements from our academics.

The need for professional AV equipment to deliver all the College's communications requirements, from Access and Outreach to alumni relations became very evident. The IT department delivered a persuasive case for support for enhanced hardware and software required to meet these activities and Development worked with its major donors and prospects on delivering the funds required.

A third lockdown in January was again disruptive to fundraising activities. The College raised vital funds to help address the growing deficit through an innovative online auction and live event. With the dual aim of raising funds for the College and delivering an online event that would bring the community together during a challenging time, the auction proved a success. £96.5k was raised on the auction platform, with further gifts of £115k received in high-value art. 230 alumni and guests joined for the live event, nearly 50% of whom had low or no recent engagement with the College.

In all, a total of £560k was received by the College in Annual Fund giving for the year.

In alumni relations, events, and communications the year 2020-21 was an exceptionally strong one. We launched a second successful **Somerville at Home** series of online lectures, talks, and interviews to a highly-receptive global audience. Amongst the many highlights of the year's events, a few stand out: our Annual Carol Service, which elicited a particularly warm response from alumni across the world and over 1700 views on YouTube, the fundraising concert at Wigmore Hall which raised over £25,000 to fund a rescheduled 19/20 Leavers celebration, and the impressive panel of notable Somervillians discussing *The Climate Change Emergency: Can Somerville Make a Difference?*.

The Somerville Communications team has also invested in a year-long project to create a new College website, featuring well over 200 individual pages with rewritten copy, new photography and enhanced functionality. New content includes a chronological history of the College, a section on notable alumni and new pages for sustainability and sanctuary. Core functionality of news, events, people and the conferencing and B&B pages has been redesigned. Launched in July 2021, the new website will serve as a trusted hub for engaging current users and attracting new audiences.

Given the challenges of the pandemic, the outreach and engagement achieved by the College this year, along with the generous financial support from our friends and donors, has been critically important. We also received tremendous support from our Board and lead volunteers which will stand us in good stead going forwards. In the year 2021.22, Somerville plans to launch a campaign to raise endowment support and funds required to deliver the College strategy.

Somerville's Development efforts are directed ultimately towards support for Somerville students now and in the future. Somerville takes very seriously the relationships we have with our donors, and none of our activity should compromise their privacy, put anybody under undue pressure or be unreasonably persistent. All

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**Report of the Governing Body**  
**Year ended 31 July 2021**

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communications sent to existing supporters include an opt out provision. We have not received any complaints about our fundraising activities during the period covered by this report.

## **FINANCIAL REVIEW**

### **Summary**

The financial year 2020.21 was again very significantly affected by the Covid 19 virus.

Income from student rents and tuition fees was in line with last year with a significant number of our students not living in college during the year. We continued our practice of not enforcing student rental obligations during the pandemic. The virus also meant that the college was able to host even fewer of its usual conferences over Easter and early summer than in 2019.20, leading to a year of low trading income. We continued to waive some rental income from our retail properties to help our smaller tenants survive. More positively, donations and legacies were up by £0.5m to £2.6m.

The impact of the lower operating income was partially offset by drawing down an addition £1m from our endowment, and by income from the government's furlough scheme of £0.4m (2019.20 £0.4m).

The net effect was that overall income was in line with the previous year.

Total expenditure was £0.7m higher than the previous year representing additional investment in teaching and research, the full year impact of interest and depreciation on recent property investments and acquisitions, and the absence of a surplus on disposal on joint equity property in the year..

As a result, the net deficit before investment gains increased by £0.8m to £2.1m.

However, the most dominant feature of 2020.21 accounts was the £16.3m investment gain, representing a very significant recovery following on from the £6.6m write down in the previous year. Of that overall gain £6.4m (17% of opening investment value) came from our investments with Newton and £9.9m from OUEM (24% of opening investment value).

Overall net assets therefore increased by £14.2m from £223.8m to £238m. Our endowment funds stood at £95m at 31st July 2021 and our non-property investments stood at over £100m for the first time (£101.4m).

### **Reserves policy**

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

Rebuilding the free reserves after a period of sustained capital investment has been a priority over recent years but these have been significantly reduced by the impact of Covid 19. Free reserves now stand at £2.0m (2020: £1.2m), representing just 2 months of total College unrestricted expenditure. Increasing these free reserves will be a priority as the college recovers over the next few years.

In addition to this the college has set aside £0.5m to fund anticipated future capital expenditure (2020; £3.5m), the funds set aside in 2019.20 having been used to refurbish the kitchen and pantry. There is also a designated fund representing a sinking fund to repay the loan and private bonds when they fall due. At July 2021 this stood at £2.9m (2020; £2.2m).



**Investment policy, objectives and performance**

The College's investment objectives are to balance current and future beneficiary needs by:

- maintaining (at least) the value of the investments in real terms;
- producing a consistent and sustainable amount to support expenditure; and
- delivering these objectives within acceptable levels of risk.

Investment risk is hedged by splitting our investments between OUEM and Newton.

The college operates a total return policy on its investments with OUEM and Newton.

The investment strategy, policy and performance is monitored by the Finance Committee. At the year end, the Group's long term investments, combining the securities, property and other investments, totalled £112m, up from £101m in 2020.

**FUTURE PLANS**

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

- To balance more effectively the complementary but often contradictory demands of teaching and research so that Fellows' research time is better resourced, and Fellows have the space to deliver high quality teaching,
- To refocus resources on the Fellowship and to reposition it at the centre of the college so that it becomes the expression and embodiment of the college's commitment to academic excellence and ambition,
- To raise the academic profile of our undergraduate and graduate students and to strengthen, through evolution and reinforcement, the culture of academic excellence and high expectation,
- To promote access and diversity across all areas of college activity and to continue to work to include the excluded, and
- To improve the support we offer to our graduate students.

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

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

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

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

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

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

The College has cash resources and has no further requirement for external funding in excess of current facilities. The Trustees have a high expectation that the College has adequate resources to continue in operational existence for the foreseeable future. In making their assessment the Trustees have considered the impact on the business of Covid-19 including the ability of the College to continue to operate as a College of the University of Oxford. They continue to believe the going concern basis of accounting appropriate in preparing the annual financial statements.

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

Approved by the Governing Body on 27<sup>th</sup> October 2021 and signed on its behalf by:

Baroness Jan Royall  
Principal

## **SOMERVILLE COLLEGE**

### **Independent Auditor's Report to the Members of the Governing Body of Somerville College**

#### **Opinion**

We have audited the financial statements of Somerville College ('the charity') and its subsidiaries ('the group') for the year ended 31 July 2021 which comprise the Consolidated Statement of Financial Activities, Consolidated and Charity Balance Sheets, Consolidated Cash Flow Statement and notes to the financial statements, including 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 group's and the parent charity's affairs as at 31 July 2021 and of the group's income and receipt of endowments and expenditure, 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 group 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**

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

#### **Other information**

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

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

We have nothing to report in this regard.

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

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires 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 and proper accounting records have not been kept by the parent charity; or the financial statements are not in agreement with the accounting records and returns; or we have not received all the information and explanations we require for our audit.

## **SOMERVILLE COLLEGE**

### **Independent Auditor's Report to the Members of the Governing Body of Somerville College**

#### **Responsibilities of trustees**

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

In preparing the financial statements, the trustees are responsible for assessing the group and the parent 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 151 of the Charities Act 2011, and report in accordance with the Acts 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation, Health and Safety and Taxation legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, sample testing of income transactions to supporting documentation and reading minutes of meetings of those charged with governance.

## **SOMERVILLE COLLEGE**

### **Independent Auditor's Report to the Members of the Governing Body of Somerville College**

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

#### **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**

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.

**1. Scope of the financial statements**

The financial statements present the Consolidated Statement of Financial Activities (SOFA), the Consolidated and College Balance Sheets and the Consolidated Statement of Cash Flows for the College and its wholly owned subsidiaries Somerville College Trading Limited and Somerville College Developments Limited, as well as the Margaret Thatcher Scholarship Trust. No separate SOFA has been presented for the College alone as currently permitted by the Charity Commission on a concessionary basis for the filing of consolidated financial statements. A summary of the results and financial position of the charity and its subsidiary for the reporting year are in note 13.

**2. Basis of accounting**

The College's individual and consolidated financial statements have been prepared in accordance with United Kingdom Accounting Standards, in particular FRS 102.

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

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

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

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

**4. Incoming resources from donations, legacies and Government grants**

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

Voluntary income received without restriction as to utilization or for the general purpose of the College is credited to unrestricted funds.

Voluntary income which is subject to specific wishes of the donor is credited to the relevant restricted fund or, where the donation, grant or legacy is required to be held as capital, to the endowment funds. Where donations are received otherwise than in cash, they are valued at the market value of the underlying assets received at the date of receipt.

Payments under the Government's furlough scheme are recognised when receivable and classified as other income in the SOFA

**5. Investment income**

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

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

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

**6. Expenditure**

Expenditure is accounted for on an accruals basis. Indirect expenditure is apportioned to expenditure categories based on the estimated amount attributable to that activity in the year, either by reference to

**SOMERVILLE COLLEGE**  
**Statement of Accounting Policies**  
**Year ended 31 July 2021**

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staff time or the use made of the underlying assets, as appropriate. Irrecoverable VAT is included with the item of expenditure to which it relates.

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

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

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

## **7. Leases**

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

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

## **8. Tangible fixed assets**

Expenditure on the acquisition, construction or enhancement of land and buildings costing more than £5,000 together with expenditure on equipment costing more than £5,000 is capitalised and carried in the balance sheet at historical cost.

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

## **9. 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	100 years
Leasehold properties	100 years or period of lease if shorter
Building improvements	10 - 30 years
Equipment	3 - 10 years

Freehold land is not depreciated. The costs of maintenance are charged in the Statement of Financial Activities in the period in which it is incurred.

## **10. Investments**

Investment properties are valued as individual investments at their market values as at the balance sheet date. Purchases and sales of investment properties are recognised on exchange of contracts.

Listed investments are valued at their mid-market values as at the balance sheet date. Investments such as hedge funds and private equity funds which have no readily identifiable market value are included at the most recent valuations from their respective managers.

Gains and losses arising on the investments are credited or charged to the Statement of Financial Activities and are allocated to the appropriate Fund according to the "ownership" of the underlying assets.

## **11. Stocks**

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

## **12. Foreign currencies**

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

## **13. Fund accounting**

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

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

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

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

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

## **14. Pension costs**

The College participates in Universities Superannuation Scheme (USS), a hybrid pension scheme, providing defined benefits based on salaries as well as benefits based on contributions, and a group personal pension scheme operated by Aviva (formerly Friends Life).

The assets of the USS scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets applicable to the defined benefit membership are not attributed to individual Colleges and scheme-wide contribution rates are set. The College is therefore exposed to actuarial risks associated with other Universities' and Colleges' employees and is unable to identify its share of the underlying assets and liabilities of the defined benefit scheme on a consistent and reasonable basis.

As required by Section 28 of FRS 102 "Employee benefits", the College accounts for the scheme as if it were a wholly defined contribution scheme and 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.

The College has entered into an agreement for the USS scheme (the Recovery Plans) that determine how each employer within the scheme will fund the overall scheme deficit. A liability is recognised at each balance sheet date for the discounted value of the expected future contribution payments under these past service deficit funding agreements, with changes to these liabilities being recognised as an expense in the periods in which the changes occur.



**Somerville College**  
**Consolidated Statement of Financial Activities**  
**For the year ended 31 July 2021**

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2021 Total £'000	2020 Total £'000
<b>INCOME AND ENDOWMENTS FROM:</b>						
<b>Charitable activities:</b>						
Teaching, research and residential	1	5,407	-	-	5,407	5,396
<b>Other Trading Income</b>	3	80	-	-	80	289
<b>Donations and legacies</b>	2	510	362	1,753	2,625	2,127
<b>Investments</b>						
Investment income	4	868	4	2,711	3,583	3,925
Total return allocated to income	14	1,900	2,188	(4,088)	-	-
Other income	5	414	-	-	414	410
<b>Total income</b>		<b>9,179</b>	<b>2,554</b>	<b>376</b>	<b>12,109</b>	12,147
<b>EXPENDITURE ON:</b>						
<b>Charitable activities:</b>						
Teaching, research and residential		10,831	2,344	-	13,175	12,435
<b>Raising funds:</b>						
Fundraising		747	-	-	747	761
Trading expenditure		119	-	-	119	135
Investment management costs		87	120	-	207	191
<b>Total Expenditure</b>	6	<b>11,784</b>	<b>2,464</b>	<b>-</b>	<b>14,248</b>	13,522
<b>Net Income/(Expenditure) before gains</b>		<b>(2,605)</b>	<b>90</b>	<b>376</b>	<b>(2,139)</b>	<b>(1,375)</b>
Net (losses)/gains on investments	11, 12	2,773	-	13,524	16,297	(6,626)
<b>Net (Expenditure)/Income</b>		<b>168</b>	<b>90</b>	<b>13,900</b>	<b>14,158</b>	<b>(8,001)</b>
<b>Transfers between funds</b>	18	2,570	-	(2,570)	-	-
<b>Net movement in funds for the year</b>		<b>2,738</b>	<b>90</b>	<b>11,330</b>	<b>14,158</b>	<b>(8,001)</b>
Fund balances brought forward	18	<b>137,288</b>	<b>2,853</b>	<b>83,663</b>	<b>223,804</b>	231,805
<b>Funds carried forward at 31 July</b>		<b>140,026</b>	<b>2,943</b>	<b>94,993</b>	<b>237,962</b>	223,804

**Somerville College**  
**Consolidated and College Balance Sheets**  
**As at 31 July 2021**

	Notes	2021 Group £'000	2020 Group £'000	2021 College £'000	2020 College £'000
<b>FIXED ASSETS</b>					
Tangible assets	10	162,907	158,295	162,907	158,295
Property investments	11	10,577	8,710	10,577	8,710
Other Investments	12	101,378	92,253	89,898	82,579
<b>Total Fixed Assets</b>		<b>274,862</b>	<b>259,258</b>	<b>263,382</b>	<b>249,584</b>
<b>CURRENT ASSETS</b>					
Stocks		63	83	63	83
Debtors	15	1,629	1,341	2,697	1,903
Investments		-	5	-	5
Cash at bank and in hand		938	1,590	(393)	671
<b>Total Current Assets</b>		<b>2,630</b>	<b>3,019</b>	<b>2,367</b>	<b>2,662</b>
<b>LIABILITIES</b>					
Creditors: Amounts falling due within one year	16	3,777	1,891	3,716	1,744
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<b>(1,147)</b>	<b>1,128</b>	<b>(1,349)</b>	<b>918</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>273,715</b>	<b>260,386</b>	<b>262,033</b>	<b>250,502</b>
<b>CREDITORS: falling due after more than one year</b>	17	<b>35,000</b>	<b>35,750</b>	<b>35,000</b>	<b>35,750</b>
<b>NET ASSETS/(LIABILITIES) BEFORE PENSION ASSET OR LIABILITY</b>		<b>238,715</b>	<b>224,636</b>	<b>227,033</b>	<b>214,752</b>
Defined benefit pension scheme liability	22	753	832	753	832
<b>TOTAL NET ASSETS/(LIABILITIES)</b>		<b>237,962</b>	<b>223,804</b>	<b>226,280</b>	<b>213,920</b>
<b>FUNDS OF THE COLLEGE</b>					
<b>Endowment funds</b>	18	<b>94,993</b>	<b>83,663</b>	<b>84,280</b>	<b>74,605</b>
<b>Restricted funds</b>	18	<b>2,943</b>	<b>2,853</b>	<b>2,943</b>	<b>2,853</b>
<b>Unrestricted funds</b>					
Designated funds	18	138,766	136,898	138,766	136,898
General funds	18	2,013	1,222	1,044	396
Pension reserve	22	(753)	(832)	(753)	(832)
		<b>237,962</b>	<b>223,804</b>	<b>226,280</b>	<b>213,920</b>

The financial statements were approved and authorised for issue by the Governing Body of Somerville College on 27 October 2021

Trustee: Jan Royall

Trustee: Andrew Parker

**Somerville College**  
**Consolidated Statement of Cash Flows**  
**For the year ended 31 July 2021**

	Notes	2021 £'000	2020 £'000
<b>Net cash provided by (used in) operating activities</b>	25	<b>(3,340)</b>	<b>(1,677)</b>
<b>Cash flows from investing activities</b>			
Dividends, interest and rents from investments		3,583	3,925
Proceeds from the sale of property, plant and equipment		-	507
Purchase of property, plant and equipment		(6,851)	(2,960)
Proceeds from sale of investments		7,889	685
Purchase of investments		(2,791)	(2,261)
<b>Net cash provided by (used in) investing activities</b>		<b>1,830</b>	<b>(104)</b>
<b>Cash flows from financing activities</b>			
Repayments of borrowing		-	-
Finance costs paid		(900)	(866)
Cash inflows from new borrowing		-	-
Net (additions to)/withdrawals from term deposits		5	1,100
Receipt of endowment		1,753	751
<b>Net cash provided by (used in) financing activities</b>		<b>858</b>	<b>985</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>(652)</b>	<b>(796)</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b>1,590</b>	<b>2,386</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	27	<b>938</b>	<b>1,590</b>

**Somerville College**  
**Notes to the financial statements**  
**For the year ended 31 July 2021**

**1 INCOME FROM CHARITABLE ACTIVITIES**

	2021 £'000	2020 £'000
<b>Teaching, Research and Residential</b>		
Unrestricted funds		
Tuition fees - UK and EU students	1,789	1,655
Tuition fees - Overseas students	1,228	1,295
Other HEFCE support	236	210
Other academic income	183	164
College residential income	1,971	2,072
	<b>5,407</b>	<b>5,396</b>
<b>Total Teaching, Research and Residential</b>	<b>5,407</b>	<b>5,396</b>
<b>Total income from charitable activities</b>	<b>5,407</b>	<b>5,396</b>

The above analysis includes £3253k received from Oxford University from publicly accountable funds under the CFF Scheme (2020: £3160k).

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 £0k (2020: £0k). These are not included in the fee income reported above.

**2 DONATIONS AND LEGACIES**

	2021 £'000	2020 £'000
<b>Donations and Legacies</b>		
Unrestricted funds	510	1,150
Restricted funds	362	226
Endowed funds	1,753	751
	<b>2,625</b>	<b>2,127</b>

**3 INCOME FROM OTHER TRADING ACTIVITIES**

	2021 £'000	2020 £'000
Subsidiary company trading income	66	264
Other trading income	14	25
	<b>80</b>	<b>289</b>

**4 INVESTMENT INCOME**

	2021 £'000	2020 £'000
<i>Unrestricted funds</i>		
Commercial rent	467	622
Equity dividends	398	996
Income from fixed interest stocks	-	57
Interest on fixed term deposits and cash	-	-
Other investment income	-	306
Bank interest	3	7
	<b>868</b>	<b>1,988</b>
<i>Restricted funds</i>		
Commercial rent	-	10
Equity dividends	-	1,567
Income from fixed interest stocks	-	107
Interest on fixed term deposits and cash	-	(5)
Other investment income	-	254
Other interest	4	4
	<b>4</b>	<b>1,937</b>
<i>Endowed funds</i>		
Equity dividends	2,698	-
Other investment income	13	-
	<b>2,711</b>	<b>-</b>
<b>Total Investment income</b>	<b>3,583</b>	<b>3,925</b>

**Somerville College**  
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<b>5</b>	<b>OTHER INCOME</b>	<b>2021</b>	<b>2020</b>
		<b>£'000</b>	<b>£'000</b>
	Coronavirus Job Retention Scheme Grants	386	392
	Miscellaneous Income	28	18
		<b>414</b>	<b>410</b>
<b>6</b>	<b>ANALYSIS OF EXPENDITURE</b>	<b>2021</b>	<b>2020</b>
		<b>£'000</b>	<b>£'000</b>
	<b>Charitable expenditure</b>		
	Direct staff costs allocated to:		
	Teaching, research and residential	5,009	4,952
	Other direct costs allocated to:		
	Teaching, research and residential	4,086	3,937
	Support and governance costs allocated to:		
	Teaching, research and residential	4,080	3,546
	<b>Total charitable expenditure</b>	<b>13,175</b>	<b>12,435</b>
	<b>Expenditure on raising funds</b>		
	Direct staff costs allocated to:		
	Fundraising	500	499
	Other direct costs allocated to:		
	Fundraising	197	217
	Trading expenditure	8	28
	Investment management costs	190	174
	Support and governance costs allocated to:		
	Fundraising	50	45
	Trading expenditure	111	107
	Investment management costs	17	17
	<b>Total expenditure on raising funds</b>	<b>1,073</b>	<b>1,087</b>
	<b>Total expenditure</b>	<b>14,248</b>	<b>13,522</b>

The 2020 resources expended of £13,522k represented £11,188k from unrestricted funds, and £2,334k from restricted funds.

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

The teaching and research costs include College Contribution payable of £nil (2020 - £21k).

**Somerville College**  
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**7 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS**

	Generating Funds £'000	Teaching and Research £'000	Public Worship £'000	Heritage £'000	2021 Total £'000
Financial administration	34	361	-	-	395
Human resources	-	115	-	-	115
IT	-	260	-	-	260
Depreciation	136	2,102	-	-	2,238
(Profit)/loss on fixed assets	-	-	-	-	-
Bank interest payable	-	1,107	-	-	1,107
Other finance charges	-	(79)	-	-	(79)
Governance costs	8	215	-	-	223
	<b>178</b>	<b>4,081</b>	<b>-</b>	<b>-</b>	<b>4,259</b>

	Generating Funds £'000	Teaching and Research £'000	Public Worship £'000	Heritage £'000	2020 Total £'000
Financial administration	34	385	-	-	419
Human resources	-	127	-	-	127
IT	-	224	-	-	224
Depreciation	128	2,033	-	-	2,161
(Profit)/loss on fixed assets	-	(165)	-	-	(165)
Bank interest payable	-	1,066	-	-	1,066
Other finance charges	-	(260)	-	-	(260)
Governance costs	7	136	-	-	143
	<b>169</b>	<b>3,546</b>	<b>-</b>	<b>-</b>	<b>3,715</b>

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

	2021 £'000	2020 £'000
<b>Governance costs comprise:</b>		
Auditor's remuneration - audit services	31	30
Other governance costs	192	113
	<b>223</b>	<b>143</b>

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

**8 GRANTS AND AWARDS**

	2021 £'000	2020 £'000
During the year the College funded research awards and bursaries to students from its restricted and unrestricted fund as follows:		
<b>Unrestricted funds</b>		
Grants to individuals:		
Scholarships, prizes and grants	-	-
Bursaries and hardship awards	-	-
Grants to other institutions	-	-
<b>Total unrestricted</b>	<b>-</b>	<b>-</b>
<b>Restricted funds</b>		
Grants to individuals:		
Scholarships, prizes and grants	714	675
Bursaries and hardship awards	93	104
Grants to other institutions	-	-
<b>Total restricted</b>	<b>807</b>	<b>779</b>
<b>Total grants and awards</b>	<b>807</b>	<b>779</b>

The figure included above represents the cost to the College of the Oxford Bursary scheme. Students of this college received £219k (2020: £198k).

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

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**9 STAFF COSTS**

	2021 £'000	2020 £'000
The aggregate staff costs for the year were as follows.		
Salaries and wages	4,950	4,756
Social security costs	415	386
Pension costs:		
Defined benefit schemes	274	70
Defined contribution schemes	300	287
Other benefits	114	286
	<b>6,053</b>	<b>5,785</b>

The average number of employees of the College, excluding Trustees, was as follows.

	2021	2020
Tuition and research	59	53
College residential	141	132
Fundraising	12	10
Support	2	2
Total	<b>214</b>	<b>197</b>

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

University Lecturers	19	19
CUF Lecturers	24	19
Other	3	3
Total	<b>46</b>	<b>41</b>

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 are 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:

£60,000-£70,000	1	1
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The number of the above employees with retirement benefits accruing was as follows:

In defined benefits schemes	-	-
In defined contribution schemes	1	1

The College contributions to defined contribution pension schemes totalled

<b>£10k</b>	<b>£10k</b>
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**Somerville College**  
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**10 TANGIBLE FIXED ASSETS**

<b>Group</b>	<b>Assets in course of construction £'000</b>	<b>Leasehold land and buildings £'000</b>	<b>Freehold land and buildings £'000</b>	<b>Fixtures, fittings and equipment £'000</b>	<b>Total £'000</b>
<b>Cost</b>					
At start of year	1,259	17,225	151,275	3,863	<b>173,622</b>
Additions	4,078	-	2,528	245	<b>6,851</b>
Disposals	-	-	-	-	-
Transfers	(4,975)	-	4,915	60	-
<b>At end of year</b>	<b>362</b>	<b>17,225</b>	<b>158,718</b>	<b>4,168</b>	<b>180,473</b>
<b>Depreciation and impairment</b>					
At start of year	-	962	11,370	2,995	<b>15,327</b>
Depreciation charge for the year	-	172	1,739	328	<b>2,239</b>
Depreciation on disposals	-	-	-	-	-
<b>At end of year</b>	<b>-</b>	<b>1,134</b>	<b>13,109</b>	<b>3,323</b>	<b>17,566</b>
<b>Net book value</b>					
<b>At end of year</b>	<b>362</b>	<b>16,091</b>	<b>145,609</b>	<b>845</b>	<b>162,907</b>
At start of year	1,259	16,263	139,905	868	<b>158,295</b>

The above includes:

£0k (2020:£0k) of plant and machinery held under finance leases.

£0k (2020:£0k) of fixtures, fittings and equipment held under finance leases.

<b>College</b>	<b>Assets in course of construction £'000</b>	<b>Leasehold land and buildings £'000</b>	<b>Freehold land and buildings £'000</b>	<b>Fixtures, fittings and equipment £'000</b>	<b>Total £'000</b>
<b>Cost</b>					
At start of year	1,259	17,225	151,275	3,863	<b>173,622</b>
Additions	4,078	-	2,528	245	<b>6,851</b>
Disposals	-	-	-	-	-
Transfers	(4,975)	-	4,915	60	-
<b>At end of year</b>	<b>362</b>	<b>17,225</b>	<b>158,718</b>	<b>4,168</b>	<b>180,473</b>
<b>Depreciation and impairment</b>					
At start of year	-	962	11,370	2,995	<b>15,327</b>
Charge for the year	-	172	1,739	328	<b>2,239</b>
On disposals	-	-	-	-	-
<b>At end of year</b>	<b>-</b>	<b>1,134</b>	<b>13,109</b>	<b>3,323</b>	<b>17,566</b>
<b>Net book value</b>					
<b>At end of year</b>	<b>362</b>	<b>16,091</b>	<b>145,609</b>	<b>845</b>	<b>162,907</b>
At start of year	1,259	16,263	139,905	868	<b>158,295</b>

The above includes:

£0k (2020:£0k) of plant and machinery held under finance leases.

£0k (2020:£0k) of fixtures and fittings held under finance leases.

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.



**Somerville College**  
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**11 PROPERTY INVESTMENTS**

<b>Group</b>	<b>Agricultural £'000</b>	<b>Commercial £'000</b>	<b>Other £'000</b>	<b>2021 Total £'000</b>	<b>2020 Total £'000</b>
Valuation at start of year	-	8,710	-	<b>8,710</b>	9,900
Additions and improvements at cost	-	1,847	-	<b>1,847</b>	-
Disposals	-	-	-	-	(685)
Revaluation gains/(losses) in the year	-	20	-	<b>20</b>	(505)
<b>Valuation at end of year</b>	<b>-</b>	<b>10,577</b>	<b>-</b>	<b>10,577</b>	<b>8,710</b>
<b>College</b>	<b>Agricultural £'000</b>	<b>Commercial £'000</b>	<b>Other £'000</b>	<b>2021 Total £'000</b>	<b>2020 Total £'000</b>
Valuation at start of year	-	8,710	-	<b>8,710</b>	9,900
Additions and improvements at cost	-	1,847	-	<b>1,847</b>	-
Disposals	-	-	-	-	(685)
Revaluation gains/(losses) in the year	-	20	-	<b>20</b>	(505)
<b>Valuation at end of year</b>	<b>-</b>	<b>10,577</b>	<b>-</b>	<b>10,577</b>	<b>8,710</b>

A formal valuation of the commercial property was prepared by Mr Craig Middleton MRICS of Cluttons LLP as at 31 July 2014. This valuation was updated to 31 July 2021 by Mr Ian Peck of Bidwells LLP.  
Investments property at 31 July 2021 include those with valuations reported on the basis of a material valuation uncertainty.

**12 OTHER INVESTMENTS**

All investments are held at fair value.

	<b>2021 £'000</b>	<b>2020 £'000</b>
<b>Group investments</b>		
Valuation at start of year	<b>92,253</b>	96,313
New money invested	<b>943</b>	2,201
Amounts withdrawn	<b>(7,888)</b>	-
Reinvested income	-	-
Investment management fees	<b>(207)</b>	(140)
(Decrease)/increase in value of investments	<b>16,277</b>	(6,121)
<b>Group investments at end of year</b>	<b>101,378</b>	<b>92,253</b>
Investments in subsidiaries	<b>(11,480)</b>	(9,674)
<b>College investments at end of year</b>	<b>89,898</b>	<b>82,579</b>

<b>Group investments comprise:</b>	<b>Held outside the UK £'000</b>	<b>Held in the UK £'000</b>	<b>2021 Total £'000</b>	<b>Held outside the UK £'000</b>	<b>Held in the UK £'000</b>	<b>2020 Total £'000</b>
Equity investments	21,847	10,345	<b>32,192</b>	14,768	11,891	26,659
Property funds	-	450	<b>450</b>	-	438	438
Fixed interest stocks	2,320	3,996	<b>6,316</b>	1,330	6,397	7,727
Alternative and other investments	43,052	18,451	<b>61,503</b>	38,019	16,997	55,016
Fixed term deposits and cash	-	917	<b>917</b>	-	2,413	2,413
<b>Total group investments</b>	<b>67,219</b>	<b>34,159</b>	<b>101,378</b>	<b>54,117</b>	<b>38,136</b>	<b>92,253</b>

**Somerville College**  
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**13 PARENT AND SUBSIDIARY UNDERTAKINGS**

The College holds 100% of the issued share capital in Somerville College Trading Limited, a company providing conference and other event services on the College premises, and 100% of the issued share capital of Somerville College Developments Limited. The College is the sole and controlling member of The Margaret Thatcher Scholarship Trust (Company No. 08600905, Charity No. 1154547).

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

	Parent College	SCTL	MTST	SCDL
	£'000	£'000	£'000	£'000
Income	11,657	66	512	276
Expenditure	(13,387)	(61)	(519)	(276)
Donation to College under gift aid	-	(5)	-	-
Result for the year	(1,730)	-	(7)	-
Total assets	251,763	221	12,632	102
Total liabilities	(37,869)	(221)	(949)	(102)
Net funds at the end of year	213,894	-	11,683	-

During the year a management charge of £7k (2020: £26k) was paid by Somerville College Trading Ltd to the College. At the year end, a balance of £204k (2020: £138k) was owed by Somerville College Trading Ltd to the College; a balance of £934k was owed by the Margaret Thatcher Scholarship Trust to the College (2020: £422k), a balance of £75k was owed by Somerville College Developments Ltd to Somerville College (2020: £122k). During the year Somerville College Developments Ltd charged Somerville College £5k (2020: £31k) for the cost of the development of the Catherine Hughes project.

**14 STATEMENT OF INVESTMENT TOTAL RETURN**

The Trustees have adopted a duly authorised policy of total return accounting for the College investment returns from the start of 2020.21. This year, because of the impact of the pandemic, the Trustees decided to take the maximum drawdown available from OUEM (5% of 31 December 2020 valuation) and a drawdown of £1.45m from Newton (representing 3.94% of the 31 July 2020 valuation).

	Trust for Investment £'000	Permanent Endowment Unapplied Total Return £'000	Total £'000	Expendable Endowment £'000	Total Endowments £'000
<b>At the beginning of the year:</b>					
Gift component of the permanent endowment	24,091		24,091		24,091
Unapplied total return		5,535	5,535		5,535
Expendable endowment				54,037	54,037
<b>Total Endowments</b>	<b>24,091</b>	<b>5,535</b>	<b>29,626</b>	<b>54,037</b>	<b>83,663</b>
<b>Movements in the reporting period:</b>					
Gift of endowment funds	1,180		1,180	573	1,753
Recoupment of trust for investment		-	-		-
Allocation from trust for investment	-	-	-		-
Investment return: total investment income		960	960	1,751	2,711
Investment return: realised and unrealised gains and losses		4,203	4,203	9,321	13,524
Less: Investment management costs			-		-
Other transfers					-
<b>Total</b>	<b>1,180</b>	<b>5,163</b>	<b>6,343</b>	<b>11,645</b>	<b>17,988</b>
Unapplied total return allocated to income in the reporting period		(1,448)	(1,448)	(2,640)	(4,088)
Transfers between funds	-	(1,448)	(1,448)	(2,570)	(2,570)
		(1,448)	(1,448)	(5,210)	(6,658)
<b>Net movements in reporting period</b>	<b>1,180</b>	<b>3,715</b>	<b>4,895</b>	<b>6,435</b>	<b>11,330</b>
<b>At end of the reporting period:</b>					
Gift component of the permanent endowment	25,271	-	25,271		25,271
Unapplied total return		9,250	9,250		9,250
Expendable endowment				60,472	60,472
<b>Total Endowments</b>	<b>25,271</b>	<b>9,250</b>	<b>34,521</b>	<b>60,472</b>	<b>94,993</b>

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**15 DEBTORS**

	<b>2021</b>	2020	<b>2021</b>	2020
	<b>Group</b>	Group	<b>College</b>	College
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
<b>Amounts falling due within one year:</b>				
Trade debtors	170	145	26	58
Amounts owed by College members	343	236	343	236
Amounts owed by Group undertakings	-	-	1,212	682
Prepayments and accrued income	804	383	804	378
Other debtors	312	577	312	549
	<b>1,629</b>	<b>1,341</b>	<b>2,697</b>	<b>1,903</b>

**16 CREDITORS: falling due within one year**

	<b>2021</b>	2020	<b>2021</b>	2020
	<b>Group</b>	Group	<b>College</b>	College
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Trade creditors	530	535	524	441
Taxation and social security	149	167	145	167
Accruals and deferred income	603	496	552	443
Other creditors	2,495	693	2,495	693
	<b>3,777</b>	<b>1,891</b>	<b>3,716</b>	<b>1,744</b>

The £750K loan with University College relating to the purchase of the freehold of 123-127 Walton Street and 25-32 Little Clarendon St Oxford is due within 12 months and has been transferred from long term creditors to other creditors.  
Payment of £1375K is due to Shirehall relating to the purchase of 25-27 Little Clarendon Street

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

	<b>2021</b>	2020	<b>2021</b>	2020
	<b>Group</b>	Group	<b>College</b>	College
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Bank loans	10,000	10,000	10,000	10,000
Other creditors	25,000	25,750	25,000	25,750
	<b>35,000</b>	<b>35,750</b>	<b>35,000</b>	<b>35,750</b>

The bank loan consists of a £8M loan fixed for a 2 year period, plus a £2M loan with variable interest at 1% above LIBOR plus mandatory cost.  
The total £10M loan is repayable in 20 years.  
Other creditors consist of a £25M private placement bond secured with Prudential M&G  
The private bond placement consists of £10M for 30 years and £10M for 33 years at an interest rate of 3.29% and a further £5M secured for 30 years at an interest rate of 2.82%.

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**18 ANALYSIS OF MOVEMENTS ON FUNDS**

	At 1 August 2020 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2021 £'000
<b>Endowment Funds - Permanent</b>						
<b>1. Fellowship funding:</b>						
Fellowship Endowment Fund	4,884	390	-	(276)	777	5,775
Indira Gandhi Fund	4,376	246	-	(247)	696	5,071
Catherine Hughes Fund	1,352	51	-	(76)	215	1,542
P. Norman Fellowship Fund	1,807	68	-	(102)	287	2,060
Scollan Fund	-	862	-	1,067	180	2,109
Other funds less than £500,000	1,815	68	-	(102)	289	2,070
<b>2. Academic awards:</b>						
Funds less than £500,000	1,262	47	-	(71)	201	1,439
<b>3. Student support:</b>						
Funds less than £500,000	2,034	147	-	(115)	324	2,390
<b>4. Other funds:</b>						
College Capital Fund	2,762	103	-	(156)	439	3,148
<b>Total endowment permanent</b>	<b>20,292</b>	<b>1,982</b>	<b>-</b>	<b>(78)</b>	<b>3,408</b>	<b>25,604</b>
<b>Endowment Funds - Expendable</b>						
<b>1. Fellowship funding:</b>						
Centenary Appeal Fund	771	29	-	(44)	123	879
E.P.A.Cephalosporin Fund	1,004	38	-	(57)	160	1,145
A & W Cobbe Fund Fund	3,663	137	-	(207)	583	4,176
L.Labowsky Fund 1992	722	27	-	(41)	115	823
Mitchell Fund	2,530	95	-	(143)	403	2,885
Carlisle & C.A.Lee Fund	856	32	-	(48)	136	976
Ernest Cook Fund	964	36	-	(54)	153	1,099
Mary Ewart Trust Fund	1,160	43	-	(66)	185	1,322
Rose Graham Fund	1,651	62	-	(93)	263	1,883
Daphne Osborne Fund	6,100	228	-	(344)	970	6,954
C. & D. Roaf Fund	1,313	49	-	(74)	209	1,497
Mary Snow Fellowship Fund	1,613	60	-	(91)	257	1,839
Mary Somerville Research Fund	1,050	39	-	(59)	167	1,197
Margaret Thatcher Fund	413	15	-	(23)	66	471
K & L Woolley Fund Fund	955	36	-	(54)	152	1,089
Wolfson Fund	725	27	-	(41)	115	826
E Goulding Fund	-	505	-	-	-	505
Scollan Fund	1,131	-	-	(1,131)	-	-
	26,621	1,458	-	(2,570)	4,057	29,566
Other funds less than £500,000	5,195	196	-	(293)	826	5,924
	31,816	1,654	-	(2,863)	4,883	35,490
<b>2. Academic awards:</b>						
Janet Watson Fund	856	32	-	(48)	136	976
Other funds less than £500,000	4,230	165	-	(239)	673	4,829
	5,086	197	-	(287)	809	5,805
<b>3. Student Support:</b>						
Bursary Fund	3,125	153	-	(176)	497	3,599
Dame Emily Penrose Fund	812	30	-	(46)	129	925
Other funds less than £500,000	3,118	137	-	(176)	496	3,575
	7,055	320	-	(398)	1,122	8,099

**Somerville College**  
**Notes to the financial statements**  
**For the year ended 31 July 2021**

**18 ANALYSIS OF MOVEMENTS ON FUNDS cont.**

**4. Other funds:**

General Endowment Fund	3,657	142	-	(207)	582	4,174
Loan Repayment Fund	2,217	-	-	(2,570)	353	-
Carys Bannister Fund	1,234	46	-	(70)	196	1,406
C A Lee Fund	603	23	-	(34)	96	688
Other funds less than £500,000	2,645	99	-	(151)	421	3,014
	<u>10,356</u>	<u>310</u>	<u>-</u>	<u>(3,032)</u>	<u>1,648</u>	<u>9,282</u>

<b>Total endowment funds, expendable</b>	<u>54,313</u>	<u>2,481</u>	<u>-</u>	<u>(6,580)</u>	<u>8,462</u>	<u>58,676</u>
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<b>Total Endowment Funds - College</b>	<u>74,605</u>	<u>4,464</u>	<u>-</u>	<u>(6,658)</u>	<u>11,869</u>	<u>84,280</u>
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Endowment funds held by subsidiaries	9,058	-	-	-	1,655	10,713
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<b>Total Endowment Funds - Group</b>	<u>83,663</u>	<u>4,464</u>	<u>-</u>	<u>(6,658)</u>	<u>13,524</u>	<u>94,993</u>
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	At 1 August 2,020 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2,021 £'000
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**Restricted Funds**

Endowment income	2,314	366	(2,464)	2,188	-	2,404
Other restricted funds	539	-	-	-	-	539

<b>Total Restricted Funds - College</b>	<u>2,853</u>	<u>366</u>	<u>(2,464)</u>	<u>2,188</u>	<u>-</u>	<u>2,943</u>
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Restricted funds held by subsidiaries	-	-	-	-	-	-
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<b>Total Restricted Funds - Group</b>	<u>2,853</u>	<u>366</u>	<u>(2,464)</u>	<u>2,188</u>	<u>-</u>	<u>2,943</u>
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**Unrestricted Funds**

General funds	384	-	-	659	-	1,043
Designated funds	3,500	-	-	-	-	3,500
Loan designated fund	-	-	-	2,907	-	2,907
Fixed Asset designated funds	133,398	6,767	(11,265)	825	2,634	132,359
Pension reserve	(832)	-	-	79	-	(753)

<b>Total Unrestricted Funds - College</b>	<u>136,450</u>	<u>6,767</u>	<u>(11,265)</u>	<u>4,470</u>	<u>2,634</u>	<u>139,056</u>
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Unrestricted funds held by subsidiaries	838	512	(519)	-	139	970
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<b>Total Unrestricted Funds - Group</b>	<u>137,288</u>	<u>7,279</u>	<u>(11,784)</u>	<u>4,470</u>	<u>2,773</u>	<u>140,026</u>
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<b>Total Funds</b>	<u>223,804</u>	<u>12,109</u>	<u>(14,248)</u>	<u>-</u>	<u>16,297</u>	<u>237,962</u>
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**19 FUNDS OF THE COLLEGE DETAILS**

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

**Endowment Funds - Permanent:**

Fellowship Endowment Fund	A fund established for the purpose of building up a general endowment of official stipends.
Indira Gandhi Fund	A joint initiative between the University, the College and the Government of India, to provide graduate scholarships for students from India to study in Oxford on programmes relating to sustainable development.

**Endowment Funds - Expendable:**

Carys Bannister Fund	Established from a bequest, used to fund medicine.
Centenary Appeal Fund	An appeal established to mark the College's centenary, income currently used towards Tutorial Fellowship funding.
E.P.A.Cephalosporin	Established by gifts from the E.P.A.Cephalosporin fund to recognise Dorothy Hodgkin's association with the College, and used to fund Tutorial fellowship costs in medical, biological or chemical sciences.
A & W Cobbe Fund	Established from a bequest, used to fund tutorial costs in mathematics.
L.Labowsky Fund	Established from a bequest, used to fund a fellowship in English language & literature.
Mitchell Fund	A gift and subsequent legacy, the income to be used towards the stipend of a Tutorial Fellow in English, and thereafter for general purposes.
Carlisle & C.A.Lee Fund	A fund established from several bequests, income from which funds the cost of special leave by Tutorial Fellows.
Ernest Cook Fund	Established by benefaction to endow a research fellowship in environmental studies.
Mary Ewart Trust Fund	A fund used to provide scholarships and travelling grants and to fund the stipend of a research fellowship
Rose Graham Fund	Established from a bequest, used to fund a fellowship in European or English History prior to 1700.

**Somerville College**  
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**For the year ended 31 July 2021**

**19 FUNDS OF THE COLLEGE DETAILS cont.**

Daphne Osborne Fund	Established from a bequest, used to fund a fellowship in Physical and/or Biological Sciences
C. & D. Roaf Fund	Gifts used to support the study and teaching of Modern Languages
Mary Snow Fellowship	A gift used to contribute towards the stipend of a Tutorial Fellow in the Biological Sciences
Mary Somerville Res. Fund	A fund established from donations to cover the stipend of a Research Fellowship.
Margaret Thatcher	Established to fund the teaching of Chemistry and Law
K & L Woolley Fund	Established by a bequest, used to provide a Scholarship or Fellowship in near, Middle-East Mediterranean or Far East Archaeology
Wolfson Fund	A gift from the Wolfson Foundation used to endow a tutorial fellowship in the Natural Sciences.

**Restricted Funds:**

1. Permanent endowment income	Income generated from permanent endowment funds, available for current and future costs as restricted by the underlying endowment fund.
2. Expendable endowment income	Income generated from expendable endowment funds, available for current and future costs as restricted by the underlying endowment fund.
3. ROQ Building project appeal	Gifts and legacies received in connection with the College Appeal, for use in contributing towards the costs of new accommodation buildings on the Radcliffe Observatory Quarter

**Designated Funds**

Designated Other	Unrestricted Funds allocated by the Fellows for current and future costs of related to particular purposes.
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Fixed Asset Fund	A New fund to reflect those funds invested in the College's fixed assets.
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The General Unrestricted Funds represent accumulated income from the College's activities and other sources that are available for the general purposes of the College.

**20 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

Group	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2021 Total £'000
Tangible fixed assets	-	162,907	-	-	162,907
Property investments	-	10,577	-	-	10,577
Other investments	2,540	2,907	938	94,993	101,378
Net current assets/(liabilities)	(527)	(2,625)	2,005	-	(1,147)
Long term liabilities	-	(35,753)	-	-	(35,753)
	<u>2,013</u>	<u>138,013</u>	<u>2,943</u>	<u>94,993</u>	<u>237,962</u>

Group	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2020 Total £'000
Tangible fixed assets	-	156,545	-	1,750	158,295
Property investments	-	8,710	-	-	8,710
Other investments	4,408	3,500	1,682	82,663	92,253
Net current assets	(43)	-	1,171	-	1,128
Long term liabilities	(3,177)	(32,655)	-	(750)	(36,582)
	<u>1,188</u>	<u>136,100</u>	<u>2,853</u>	<u>83,663</u>	<u>223,804</u>

**21 TRUSTEES' REMUNERATION**

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

Trustees of the college fall into the following categories:

Head of House  
Professorial Fellow  
Official Fellow  
Fellow by Special Election

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

All Official Fellows are eligible for a Housing Allowance, which is disclosed within the salary figures below. Seven trustees live in accommodation owned by the college and pay market rent on a monthly basis.

The College has a Remuneration Committee which makes recommendations to Governing Body on pay and benefits which are outside of external scales.

**Somerville College**  
**Notes to the financial statements**  
**For the year ended 31 July 2021**

**21 TRUSTEES' REMUNERATION cont.**  
**Remuneration paid to trustees**

Range	Number of Trustees/Fellows	2021	Number of Trustees/Fellows	2020
		Gross remuneration, taxable benefits and pension contributions £		Gross remuneration, taxable benefits and pension contributions £
£0-£1,000				
£2,000-£2,999			1	2,039
£4,000-£4,999			1	4,139
£7,000-£7,999			1	7,362
£9,000-£9,999				
£10,000-£10,999	1	10,468		
£11,000-£11,999	1	11,600		
£12,000-£12,999	1	12,879	1	12,169
£13,000-£13,999	1	13,540	2	26,325
£15,000-£15,999			1	15,843
£18,000-£18,999	2	37,124		
£22,000-£22,999			1	22,248
£23,000-£23,999			1	23,674
£24,000-£24,999	11	270,414	7	169,731
£25,000-£25,999			1	25,370
£26,000-£26,999			2	52,296
£30,000-£30,999	1	30,647		
£34,000-£34,999				
£37,000-£37,999			1	37,331
£38,000-£38,999	1	38,508		
£40,000-£40,999			1	40,044
£43,000-£43,999	1	43,819	1	43,651
£44,000-£44,999	1	44,872		
£46,000-£46,999				
£47,000-£47,999	1	47,509		
£48,000-£48,999	1	48,508	1	48,379
£50,000-£50,999			1	50,703
£52,000-£52,999			1	52,186
£53,000-£53,999				
£55,000-£55,999				
£58,000-£58,999	5	294,982	5	293,491
£59,000-£59,999	3	178,079		
£60,000-£60,999			1	60,879
£63,000-£63,999	2	127,254	3	189,657
£64,000-£64,999			1	64,540
£81,000-£81,999				
£82,000-£82,999			1	82,122
£87,000-£87,999	1	87,125		
£90,000-£90,999			1	90,522
£91,000-£91,999	1	91,157		
£121,000-£121,999	1	121,224		
£122,000-£122,999	1	122,196		
£124,000-£124,999			1	124,329
£125,000-£125,999			1	125,496
£144,000-£144,999	1	144,218		
£147,000-£147,999			1	147,072
<b>Total</b>	<b>38</b>	<b>1,776,121</b>	<b>40</b>	<b>1,811,598</b>

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

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

**Other transactions with trustees**

Fellows also receive reimbursement of personal expenses necessarily incurred in connection with their services to the College as Trustees. During the year a total of £6K (2020 - £19K) was reimbursed to 5 (2020 - 17) of the Trustees for research.

See also note 27 Related Party Transactions

**Key management remuneration**

The total remuneration paid to key management was £623k (2020: £624k).

Key management are considered to be the College Officers as detailed in the Governing Body Report

## 22 PENSION SCHEMES

### Schemes in operation

The College participates in two pension schemes on behalf of its staff:

- (i) The Universities Superannuation Scheme ("the USS") and
- (ii) A group personal pension scheme operated by Aviva (formerly the Friends Life New Generation Group Pension Scheme).

The USS is a hybrid pension schemes, providing defined benefits based on salaries as well as benefits based on contributions.

The assets of USS are held in a separate trustee-administered fund.

The USS scheme is a multi-employer scheme and the College is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. Therefore, as required by FRS 102, the College accounts for the scheme as if it were a defined contribution scheme.

The USS scheme has put in place an agreement for additional contributions to fund the past service deficit. 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.

### Universities Superannuation Scheme

The pension charge for the year in the Statement of Financial Activities includes £274k (2020 - £70k) in relation to the USS. This represents normal contributions of £359k (2020 - £357k) payable to the USS as adjusted by the change in the deficit funding liability between the opening and closing balance sheet dates of -£85k (2020 -£287k).

Following changes to the USS, this scheme now comprises two parts, USS Retirement Income Builder which is a defined benefit arrangement and USS Investment Builder which is a defined contribution arrangement.

The latest triennial actuarial valuation of the USS defined benefit liabilities was prepared as at 31 March 2020 and the related actuarial report and contribution determination were shared with the USS's Joint Negotiating Committee (JNC) (which represents employers and scheme members) in March 2021.

This report sets out increases in pension contributions that would be necessary to maintain the scheme's existing benefits under three scenarios. The most favourable of these scenarios required an overall contribution rate of 42.1% with higher rates for the other scenarios of 49.6% and 56.2%. These compare to the current overall contribution rate of 30.7%. The scheme deficit as at March 2020 also varies depending on the scenario from £14.9bn to £17.9bn (on a technical provisions basis).

In response to these rising costs of providing the scheme's current benefits, the JNC has proposed changes to the way future benefits are built up which, if agreed, will pave the way for the introduction of new contribution rates.

Any changes are still subject to a statutory employer-led consultation with affected employees and their representatives and, because of the necessary time for this, USS informed The Pensions Regulator that it was not possible to complete the 2020 valuation by the statutory deadline of 30 June 2021. The current expectation is that the valuation process will not conclude until late 2021 or early 2022.

Under the terms of the previous 2018 valuation, the total contributions from employers and active members of the scheme were set to rise to 34.7% from October 2021 – split 23.7% and 11% respectively. Subject to the above consultation on the 2020 valuation, a total contribution rate from October 2021 of 31.2% is proposed - split 21.4% and 9.8% respectively.

In summary, the current and proposed future contribution rates are:

	Employer	Employee	Total
1 October 2019 to 30 September 2021	21.1%	9.6%	30.7%
1 October 2021 – from 2018 valuation	23.70%	11.0%	34.7%
1 October 2021 – from JNC proposed scheme changes	21.40%	9.8%	31.2%

The College has used a financial modeller to estimate the expected future deficit funding contributions payable and the present value of this amount is recognised as a liability in the balance sheet. Changes in the estimated amount of this deficit funding liability each year are shown on the Statement of Financial Activities. For the year ended 31 July 2021 the College's provision for the USS deficit funding liability was £753k (2020 – £832k).

Further details on the Actuarial Valuations of the USS can be found on the USS website.

<https://www.uss.co.uk/actuarial-valuation>

### Pension charge for the year

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

	2021 £k	2020 £k
University Superannuation Scheme	274	70
Friends Life NGGPS	300	287
	<u>574</u>	<u>357</u>

## 23 TAXATION

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



**Somerville College**  
**Notes to the financial statements**  
**For the year ended 31 July 2021**

**24 FINANCIAL INSTRUMENTS**

The financial statements include the following in respect of items held at fair value:

	<b>Group</b>		<b>College</b>	
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Financial assets measured at fair value through profit or loss	101,378	92,253	89,898	82,579
Financial liabilities measured at fair value through profit or loss	753	832	753	832
Financial assets measured at amortised cost	2,365	2,789	2,102	2,427
Financial liabilities measured at amortised cost	38,593	37,437	38,536	37,290

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

	<b>2021</b>	2020
	<b>Group</b>	Group
	<b>£'000</b>	£'000
<b>Net income/(expenditure)</b>	14,158	(8,001)
Elimination of non-operating cash flows:		
Investment income	(3,583)	(3,925)
(Gains)/losses in investments	(16,297)	6,626
Endowment donations	(1,753)	(751)
Financing costs	1,107	1,066
Depreciation	2,239	2,161
(Surplus)/loss on sale of fixed assets	-	(165)
(Increase) in stock	20	(24)
Decrease in debtors	(288)	2,094
Increase in creditors	1,136	(499)
Decrease)/Increase in provisions	(79)	(259)
<b>Net cash provided by (used in) operating activities</b>	<b>(3,340)</b>	<b>(1,677)</b>

**26 ANALYSIS OF CHANGES IN NET DEBT**

	Start of Year	Cash Flows	End of Year
	£'000	£'000	£'000
Cash	1,590	(652)	938
Loans falling due after more than one year	(35,750)	750	(35,000)
<b>Total</b>	<b>(34,160)</b>	<b>98</b>	<b>(34,062)</b>

**27 ANALYSIS OF CASH AND CASH EQUIVALENTS**

	<b>2021</b>	2020
	<b>£'000</b>	£'000
Cash at bank and in hand	938	1,590
<b>Total cash and cash equivalents</b>	<b>938</b>	<b>1,590</b>

**Somerville College**  
**Notes to the financial statements**  
**For the year ended 31 July 2021**

**28 COMMITMENTS UNDER OPERATING LEASES**

The group 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 straight-line basis over the period of the lease.

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

	2021 £'000	2020 £'000
<b>Group and Company</b>		
Not later than 1 year	647	661
Later than 1 year and not later than 5 years	1,977	2,348
Later than 5 years	2,312	2,992
	<b>4,936</b>	<b>6,001</b>

**29 CAPITAL COMMITMENTS**

The College had contracted commitments at 31 July for future capital projects totalling £0k (2020 - £4,000k).

**30 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 following trustees had loans outstanding from the College at the start and/or end of the year.

	2021 £'000	2020 £'000
B Thompson	100	100

Interest is charged on the above loan at 4% per annum. The loan is repayable within 4 years or on the departure of the trustee from the College if earlier.

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

	2021 £'000	2020 £'000
A Sutherland	163	167
M Hayward	70	72
C Hare	162	166
R Van der Hoorn	89	91
B Dignas	179	183
L Mycock	189	193

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

**31 CONTINGENT LIABILITIES**

There were no contingent liabilities at 31 July 2021

**32 POST BALANCE SHEET EVENTS**

Since the year end, following the completion of the 2020 actuarial valuation, a new dual rate schedule of contributions has been agreed with an effective date of 1 October 2021. Recalculating the USS provision on the basis of these contributions would result in an increased obligation to fund the deficit of £2,501k, an increase of £1,748k.

A further change to deficit recovery contributions will become applicable under the 2020 valuation if the Joint Negotiating Committee recommended deed on benefit changes has not been executed by 28 February 2022. In this scenario, higher deficit recovery contributions will commence from 1 October 2022 at 3% and then increase every 6 months until they reach 20% at 1 October 2025. They remain at this level until 31 July 2032.

Negotiations continue and an increase at this level is considered remote.

**Somerville College**  
**Notes to the financial statements**  
**For the year ended 31 July 2021**

**33 PRIOR YEAR COMPARATIVE INFORMATION**

**a. Consolidated Statement of Financial Activities**  
**For the year ended 31 July 2020**

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2,020 Total £'000
<b>INCOME AND ENDOWMENTS FROM:</b>					
<b>Charitable activities:</b>					
Teaching, research and residential		5,396	0	0	5,396
<b>Other Trading Income</b>		289	0	0	289
<b>Donations and legacies</b>		1,150	226	751	2,127
<b>Investments</b>					
Investment income		1,988	1,937	0	3,925
Other income		410	0	0	410
<b>Total income</b>		<u>9,233</u>	<u>2,163</u>	<u>751</u>	<u>12,147</u>
<b>EXPENDITURE ON:</b>					
<b>Charitable activities:</b>					
Teaching, research and residential		10,221	2,214	0	12,435
<b>Raising funds:</b>					
Fundraising		761	0	0	761
Trading expenditure		135	0	0	135
Investment management costs		71	120	0	191
<b>Total Expenditure</b>		<u>11,188</u>	<u>2,334</u>	<u>0</u>	<u>13,522</u>
<b>Net Income/(Expenditure) before gains</b>		<u>(1,955)</u>	<u>(171)</u>	<u>751</u>	<u>(1,375)</u>
Net gains/(losses) on investments		(1,262)	0	(5,364)	(6,626)
<b>Net Income/(Expenditure)</b>		<u>(3,217)</u>	<u>(171)</u>	<u>(4,613)</u>	<u>(8,001)</u>
<b>Transfers between funds</b>		(335)	0	335	0
<b>Net movement in funds for the year</b>		(3,552)	(171)	(4,278)	(8,001)
<b>Fund balances brought forward</b>		140,840	3,024	87,941	231,805
<b>Funds carried forward at 31 July</b>		<u><u>137,288</u></u>	<u><u>2,853</u></u>	<u><u>83,663</u></u>	<u><u>223,804</u></u>

**b. ANALYSIS OF MOVEMENTS ON FUNDS**

	At 1 August 2,019 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2,020 £'000
<b>Endowment Funds - Permanent</b>						
<b>1. Fellowship funding:</b>						
Fellowship Endowment Fund	5,071	132	0	0	(319)	4,884
Indira Gandhi Fund	4,670	0	0	0	(294)	4,376
Catherine Hughes Fund	1,443	0	0	0	(91)	1,352
P. Norman Fellowship Fund	1,928	0	0	0	(121)	1,807
Other funds less than £500,000	1,937	0	0	0	(122)	1,815
<b>2. Academic awards:</b>						
Funds less than £500,000	1,347	0	0	0	(85)	1,262
<b>3. Student support:</b>						
Funds less than £500,000	2,170	0	0	0	(136)	2,034
<b>4. Other funds:</b>						
College Capital Fund	2,821	118	0	0	(177)	2,762
<b>Total endowment permanent</b>	<u>21,387</u>	<u>250</u>	<u>0</u>	<u>0</u>	<u>(1,345)</u>	<u>20,292</u>

**Somerville College**  
**Notes to the financial statements**  
**For the year ended 31 July 2021**

**33 PRIOR YEAR COMPARATIVE INFORMATION Cont.**

**b. ANALYSIS OF MOVEMENTS ON FUNDS**

Endowment Funds - Expendable

1. Fellowship funding:

Centenary Appeal Fund	823	0	0	0	(52)	771
E.P.A.Cephalosporin Fund	1,071	0	0	0	(67)	1,004
A & W Cobbe Fund Fund	3,909	0	0	0	(246)	3,663
L.Labowsky Fund 1992	770	0	0	0	(48)	722
Mitchell Fund	2,700	0	0	0	(170)	2,530
Carlisle & C.A.Lee Fund	913	0	0	0	(57)	856
Ernest Cook Fund	1,029	0	0	0	(65)	964
Mary Ewart Trust Fund	1,238	0	0	0	(78)	1,160
Rose Graham Fund	1,762	0	0	0	(111)	1,651
Daphne Osborne Fund	6,509	0	0	0	(409)	6,100
C. & D. Roaf Fund	1,401	0	0	0	(88)	1,313
Mary Snow Fellowship Fund	1,721	0	0	0	(108)	1,613
Mary Somerville Research Fund	1,120	0	0	0	(70)	1,050
Margaret Thatcher Fund	441	0	0	0	(28)	413
K & L Woolley Fund Fund	1,019	0	0	0	(64)	955
Wolfson Fund	774	0	0	0	(49)	725
Scollan Fund	887	300	0	0	(56)	1,131
	28,087	300	0	0	(1,766)	26,621

Other funds less than £500,000

5,543				(348)	5,195
33,630	300	0	0	(2,114)	31,816

2. Academic awards:

Janet Watson Fund	913	0	0	0	(57)	856
Other funds less than £500,000	4,480	32	0	0	(282)	4,230
	5,393	32	0	0	(339)	5,086

3. Student Support:

Bursary Fund	3,217	110	0	0	(202)	3,125
Dame Emily Penrose Fund	867	0	0	0	(55)	812
Other funds less than £500,000	3,270	54	0	0	(206)	3,118
	7,354	164	0	0	(463)	7,055

4. Other funds:

General Endowment Fund	3,897	5	0	0	(245)	3,657
Loan Repayment Fund	2,008	0	0	335	(126)	2,217
Carys Bannister Fund	1,317	0	0	0	(83)	1,234
C A Lee Fund	643	0	0	0	(40)	603
Other funds less than £500,000	2,822	0	0	0	(177)	2,645
	10,687	5	0	335	(671)	10,356

Total endowment funds, expendable

57,064	501	0	335	(3,587)	54,313
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Total Endowment Funds - College

78,451	751	0	335	(4,932)	74,605
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Endowment funds held by subsidiaries

9,490	0	0	0	(432)	9,058
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**Total Endowment Funds - Group**

87,941	751	0	335	(5,364)	83,663
--------	-----	---	-----	---------	--------

At 1 August	Incoming	Resources	Transfers	Gains/	At 31 July
2,019	resources	expended		(losses)	2,020
£'000	£'000	£'000	£'000	£'000	£'000

Restricted Funds

Endowment income	2,485	2,163	(2,334)	0	0	2,314
Other restricted funds	539	0	0	0	0	539

Total Restricted Funds - College

3,024	2,163	(2,334)	0	0	2,853
-------	-------	---------	---	---	-------

Restricted funds held by subsidiaries

0	0	0	0	0	0
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**Total Restricted Funds - Group**

3,024	2,163	(2,334)	0	0	2,853
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Unrestricted Funds

General funds	1,499	0	0	(1,115)	0	384
Designated funds	4,013	0		(513)		3,500
Fixed Asset designated funds	135,615	8,744	(10,770)	1,034	(1,225)	133,398
Revaluation reserve	0					0
Pension reserve	(1,091)		0	259		(832)

Total Unrestricted Funds - College

140,036	8,744	(10,770)	(335)	(1,225)	136,450
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Unrestricted funds held by subsidiaries

804	489	(418)	0	(37)	838
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**Total Unrestricted Funds - Group**

140,840	9,233	(11,188)	(335)	(1,262)	137,288
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**Total Funds**

231,805	12,147	(13,522)	0	(6,626)	233,804
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**Somerville College**  
**Consolidated Statement of Financial Activities**  
**For the year ended 31 July 2021**

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2021 Total £'000	2020 Total £'000
<b>INCOME AND ENDOWMENTS FROM:</b>						
<b>Charitable activities:</b>						
Teaching, research and residential	1	5,407	-	-	5,407	5,396
<b>Other Trading Income</b>	3	80	-	-	80	289
<b>Donations and legacies</b>	2	510	362	1,753	2,625	2,127
<b>Investments</b>						
Investment income	4	868	4	2,711	3,583	3,925
Total return allocated to income	14	1,900	2,188	(4,088)	-	-
Other income	5	414	-	-	414	410
<b>Total income</b>		<b>9,179</b>	<b>2,554</b>	<b>376</b>	<b>12,109</b>	12,147
<b>EXPENDITURE ON:</b>						
<b>Charitable activities:</b>						
Teaching, research and residential		10,831	2,344	-	13,175	12,435
<b>Raising funds:</b>						
Fundraising		747	-	-	747	761
Trading expenditure		119	-	-	119	135
Investment management costs		87	120	-	207	191
<b>Total Expenditure</b>	6	<b>11,784</b>	<b>2,464</b>	<b>-</b>	<b>14,248</b>	13,522
<b>Net Income/(Expenditure) before gains</b>		<b>(2,605)</b>	<b>90</b>	<b>376</b>	<b>(2,139)</b>	<b>(1,375)</b>
Net (losses)/gains on investments	11, 12	2,773	-	13,524	16,297	(6,626)
<b>Net (Expenditure)/Income</b>		<b>168</b>	<b>90</b>	<b>13,900</b>	<b>14,158</b>	<b>(8,001)</b>
<b>Transfers between funds</b>	18	2,570	-	(2,570)	-	-
<b>Net movement in funds for the year</b>		<b>2,738</b>	<b>90</b>	<b>11,330</b>	<b>14,158</b>	<b>(8,001)</b>
Fund balances brought forward	18	137,288	2,853	83,663	223,804	231,805
<b>Funds carried forward at 31 July</b>		<b>140,026</b>	<b>2,943</b>	<b>94,993</b>	<b>237,962</b>	<b>223,804</b>

**Somerville College**  
**Consolidated and College Balance Sheets**  
**As at 31 July 2021**

	Notes	2021 Group £'000	2020 Group £'000	2021 College £'000	2020 College £'000
<b>FIXED ASSETS</b>					
Tangible assets	10	162,907	158,295	162,907	158,295
Property investments	11	10,577	8,710	10,577	8,710
Other Investments	12	101,378	92,253	89,898	82,579
<b>Total Fixed Assets</b>		<b>274,862</b>	<b>259,258</b>	<b>263,382</b>	<b>249,584</b>
<b>CURRENT ASSETS</b>					
Stocks		63	83	63	83
Debtors	15	1,629	1,341	2,697	1,903
Investments		-	5	-	5
Cash at bank and in hand		938	1,590	(393)	671
<b>Total Current Assets</b>		<b>2,630</b>	<b>3,019</b>	<b>2,367</b>	<b>2,662</b>
<b>LIABILITIES</b>					
Creditors: Amounts falling due within one year	16	3,777	1,891	3,716	1,744
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<b>(1,147)</b>	<b>1,128</b>	<b>(1,349)</b>	<b>918</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>273,715</b>	<b>260,386</b>	<b>262,033</b>	<b>250,502</b>
<b>CREDITORS: falling due after more than one year</b>	17	<b>35,000</b>	<b>35,750</b>	<b>35,000</b>	<b>35,750</b>
<b>NET ASSETS/(LIABILITIES) BEFORE PENSION ASSET OR LIABILITY</b>		<b>238,715</b>	<b>224,636</b>	<b>227,033</b>	<b>214,752</b>
Defined benefit pension scheme liability	22	753	832	753	832
<b>TOTAL NET ASSETS/(LIABILITIES)</b>		<b>237,962</b>	<b>223,804</b>	<b>226,280</b>	<b>213,920</b>
<b>FUNDS OF THE COLLEGE</b>					
<b>Endowment funds</b>	18	<b>94,993</b>	<b>83,663</b>	<b>84,280</b>	<b>74,605</b>
<b>Restricted funds</b>	18	<b>2,943</b>	<b>2,853</b>	<b>2,943</b>	<b>2,853</b>
<b>Unrestricted funds</b>					
Designated funds	18	138,766	136,898	138,766	136,898
General funds	18	2,013	1,222	1,044	396
Pension reserve	22	(753)	(832)	(753)	(832)
		<b>237,962</b>	<b>223,804</b>	<b>226,280</b>	<b>213,920</b>

The financial statements were approved and authorised for issue by the Governing Body of Somerville College on 27 October 2021

Trustee: Jan Royall

Trustee: Andrew Parker

**Somerville College**  
**Consolidated Statement of Cash Flows**  
**For the year ended 31 July 2021**

	Notes	2021 £'000	2020 £'000
<b>Net cash provided by (used in) operating activities</b>	25	<b>(3,340)</b>	<b>(1,677)</b>
<b>Cash flows from investing activities</b>			
Dividends, interest and rents from investments		3,583	3,925
Proceeds from the sale of property, plant and equipment		-	507
Purchase of property, plant and equipment		(6,851)	(2,960)
Proceeds from sale of investments		7,889	685
Purchase of investments		(2,791)	(2,261)
<b>Net cash provided by (used in) investing activities</b>		<b>1,830</b>	<b>(104)</b>
<b>Cash flows from financing activities</b>			
Repayments of borrowing		-	-
Finance costs paid		(900)	(866)
Cash inflows from new borrowing		-	-
Net (additions to)/withdrawals from term deposits		5	1,100
Receipt of endowment		1,753	751
<b>Net cash provided by (used in) financing activities</b>		<b>858</b>	<b>985</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>(652)</b>	<b>(796)</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b>1,590</b>	<b>2,386</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	27	<b>938</b>	<b>1,590</b>

**Somerville College**  
**Notes to the financial statements**  
**For the year ended 31 July 2021**

**1 INCOME FROM CHARITABLE ACTIVITIES**

	2021 £'000	2020 £'000
<b>Teaching, Research and Residential</b>		
Unrestricted funds		
Tuition fees - UK and EU students	1,789	1,655
Tuition fees - Overseas students	1,228	1,295
Other HEFCE support	236	210
Other academic income	183	164
College residential income	1,971	2,072
	<b>5,407</b>	<b>5,396</b>
<b>Total Teaching, Research and Residential</b>	<b>5,407</b>	<b>5,396</b>
<b>Total income from charitable activities</b>	<b>5,407</b>	<b>5,396</b>

The above analysis includes £3253k received from Oxford University from publicly accountable funds under the CFF Scheme (2020: £3160k).

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 £0k (2020: £0k). These are not included in the fee income reported above.

**2 DONATIONS AND LEGACIES**

	2021 £'000	2020 £'000
<b>Donations and Legacies</b>		
Unrestricted funds	510	1,150
Restricted funds	362	226
Endowed funds	1,753	751
	<b>2,625</b>	<b>2,127</b>

**3 INCOME FROM OTHER TRADING ACTIVITIES**

	2021 £'000	2020 £'000
Subsidiary company trading income	66	264
Other trading income	14	25
	<b>80</b>	<b>289</b>

**4 INVESTMENT INCOME**

	2021 £'000	2020 £'000
<i>Unrestricted funds</i>		
Commercial rent	467	622
Equity dividends	398	996
Income from fixed interest stocks	-	57
Interest on fixed term deposits and cash	-	-
Other investment income	-	306
Bank interest	3	7
	<b>868</b>	<b>1,988</b>
<i>Restricted funds</i>		
Commercial rent	-	10
Equity dividends	-	1,567
Income from fixed interest stocks	-	107
Interest on fixed term deposits and cash	-	(5)
Other investment income	-	254
Other interest	4	4
	<b>4</b>	<b>1,937</b>
<i>Endowed funds</i>		
Equity dividends	2,698	-
Other investment income	13	-
	<b>2,711</b>	<b>-</b>
<b>Total Investment income</b>	<b>3,583</b>	<b>3,925</b>



**Somerville College**  
**Notes to the financial statements**  
**For the year ended 31 July 2021**

<b>5</b>	<b>OTHER INCOME</b>	<b>2021</b>	<b>2020</b>
		<b>£'000</b>	<b>£'000</b>
	Coronavirus Job Retention Scheme Grants	386	392
	Miscellaneous Income	28	18
		<b>414</b>	<b>410</b>
<b>6</b>	<b>ANALYSIS OF EXPENDITURE</b>	<b>2021</b>	<b>2020</b>
		<b>£'000</b>	<b>£'000</b>
	<b>Charitable expenditure</b>		
	Direct staff costs allocated to:		
	Teaching, research and residential	5,009	4,952
	Other direct costs allocated to:		
	Teaching, research and residential	4,086	3,937
	Support and governance costs allocated to:		
	Teaching, research and residential	4,080	3,546
	<b>Total charitable expenditure</b>	<b>13,175</b>	<b>12,435</b>
	<b>Expenditure on raising funds</b>		
	Direct staff costs allocated to:		
	Fundraising	500	499
	Other direct costs allocated to:		
	Fundraising	197	217
	Trading expenditure	8	28
	Investment management costs	190	174
	Support and governance costs allocated to:		
	Fundraising	50	45
	Trading expenditure	111	107
	Investment management costs	17	17
	<b>Total expenditure on raising funds</b>	<b>1,073</b>	<b>1,087</b>
	<b>Total expenditure</b>	<b>14,248</b>	<b>13,522</b>

The 2020 resources expended of £13,522k represented £11,188k from unrestricted funds, and £2,334k from restricted funds.

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

The teaching and research costs include College Contribution payable of £0k (2020 - £0k).

**Somerville College**  
**Notes to the financial statements**  
**For the year ended 31 July 2021**

**7 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS**

	Generating Funds £'000	Teaching and Research £'000	Public Worship £'000	Heritage £'000	2021 Total £'000
Financial administration	34	361	-	-	395
Human resources	-	115	-	-	115
IT	-	260	-	-	260
Depreciation	136	2,102	-	-	2,238
(Profit)/loss on fixed assets	-	-	-	-	-
Bank interest payable	-	1,107	-	-	1,107
Other finance charges	-	(79)	-	-	(79)
Governance costs	8	215	-	-	223
	<b>178</b>	<b>4,081</b>	<b>-</b>	<b>-</b>	<b>4,259</b>

	Generating Funds £'000	Teaching and Research £'000	Public Worship £'000	Heritage £'000	2020 Total £'000
Financial administration	34	385	-	-	419
Human resources	-	127	-	-	127
IT	-	224	-	-	224
Depreciation	128	2,033	-	-	2,161
(Profit)/loss on fixed assets	-	(165)	-	-	(165)
Bank interest payable	-	1,066	-	-	1,066
Other finance charges	-	(260)	-	-	(260)
Governance costs	7	136	-	-	143
	<b>169</b>	<b>3,546</b>	<b>-</b>	<b>-</b>	<b>3,715</b>

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

	2021 £'000	2020 £'000
<b>Governance costs comprise:</b>		
Auditor's remuneration - audit services	31	30
Other governance costs	192	113
	<b>223</b>	<b>143</b>

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

**8 GRANTS AND AWARDS**

	2021 £'000	2020 £'000
During the year the College funded research awards and bursaries to students from its restricted and unrestricted fund as follows:		
<b>Unrestricted funds</b>		
Grants to individuals:		
Scholarships, prizes and grants	-	-
Bursaries and hardship awards	-	-
Grants to other institutions	-	-
<b>Total unrestricted</b>	<b>-</b>	<b>-</b>
<b>Restricted funds</b>		
Grants to individuals:		
Scholarships, prizes and grants	714	675
Bursaries and hardship awards	93	104
Grants to other institutions	-	-
<b>Total restricted</b>	<b>807</b>	<b>779</b>
<b>Total grants and awards</b>	<b>807</b>	<b>779</b>

The figure included above represents the cost to the College of the Oxford Bursary scheme. Students of this college received £219k (2020: £198k).

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

**Somerville College**  
**Notes to the financial statements**  
**For the year ended 31 July 2021**

**9 STAFF COSTS**

	2021 £'000	2020 £'000
The aggregate staff costs for the year were as follows.		
Salaries and wages	4,950	4,756
Social security costs	415	386
Pension costs:		
Defined benefit schemes	274	70
Defined contribution schemes	300	287
Other benefits	114	286
	<b>6,053</b>	<b>5,785</b>

The average number of employees of the College, excluding Trustees, was as follows.

	2021	2020
Tuition and research	59	53
College residential	141	132
Fundraising	12	10
Support	2	2
Total	<b>214</b>	<b>197</b>

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

University Lecturers	19	19
CUF Lecturers	24	19
Other	3	3
Total	<b>46</b>	<b>41</b>

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 are 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:

£60,000-£70,000	1	1
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The number of the above employees with retirement benefits accruing was as follows:

In defined benefits schemes	-	-
In defined contribution schemes	1	1

The College contributions to defined contribution pension schemes totalled

<b>£10k</b>	<b>£10k</b>
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**Somerville College**  
**Notes to the financial statements**  
**For the year ended 31 July 2021**

**10 TANGIBLE FIXED ASSETS**

<b>Group</b>	<b>Assets in course of construction £'000</b>	<b>Leasehold land and buildings £'000</b>	<b>Freehold land and buildings £'000</b>	<b>Fixtures, fittings and equipment £'000</b>	<b>Total £'000</b>
<b>Cost</b>					
At start of year	1,259	17,225	151,275	3,863	<b>173,622</b>
Additions	4,078	-	2,528	245	<b>6,851</b>
Disposals	-	-	-	-	-
Transfers	(4,975)	-	4,915	60	-
<b>At end of year</b>	<b>362</b>	<b>17,225</b>	<b>158,718</b>	<b>4,168</b>	<b>180,473</b>
<b>Depreciation and impairment</b>					
At start of year	-	962	11,370	2,995	<b>15,327</b>
Depreciation charge for the year	-	172	1,739	328	<b>2,239</b>
Depreciation on disposals	-	-	-	-	-
<b>At end of year</b>	<b>-</b>	<b>1,134</b>	<b>13,109</b>	<b>3,323</b>	<b>17,566</b>
<b>Net book value</b>					
<b>At end of year</b>	<b>362</b>	<b>16,091</b>	<b>145,609</b>	<b>845</b>	<b>162,907</b>
At start of year	1,259	16,263	139,905	868	<b>158,295</b>

The above includes:

£0k (2020:£0k) of plant and machinery held under finance leases.

£0k (2020:£0k) of fixtures, fittings and equipment held under finance leases.

<b>College</b>	<b>Assets in course of construction £'000</b>	<b>Leasehold land and buildings £'000</b>	<b>Freehold land and buildings £'000</b>	<b>Fixtures, fittings and equipment £'000</b>	<b>Total £'000</b>
<b>Cost</b>					
At start of year	1,259	17,225	151,275	3,863	<b>173,622</b>
Additions	4,078	-	2,528	245	<b>6,851</b>
Disposals	-	-	-	-	-
Transfers	(4,975)	-	4,915	60	-
<b>At end of year</b>	<b>362</b>	<b>17,225</b>	<b>158,718</b>	<b>4,168</b>	<b>180,473</b>
<b>Depreciation and impairment</b>					
At start of year	-	962	11,370	2,995	<b>15,327</b>
Charge for the year	-	172	1,739	328	<b>2,239</b>
On disposals	-	-	-	-	-
<b>At end of year</b>	<b>-</b>	<b>1,134</b>	<b>13,109</b>	<b>3,323</b>	<b>17,566</b>
<b>Net book value</b>					
<b>At end of year</b>	<b>362</b>	<b>16,091</b>	<b>145,609</b>	<b>845</b>	<b>162,907</b>
At start of year	1,259	16,263	139,905	868	<b>158,295</b>

The above includes:

£0k (2020:£0k) of plant and machinery held under finance leases.

£0k (2020:£0k) of fixtures and fittings held under finance leases.

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.

**Somerville College**  
**Notes to the financial statements**  
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**11 PROPERTY INVESTMENTS**

<b>Group</b>	<b>Agricultural £'000</b>	<b>Commercial £'000</b>	<b>Other £'000</b>	<b>2021 Total £'000</b>	<b>2020 Total £'000</b>
Valuation at start of year	-	8,710	-	<b>8,710</b>	9,900
Additions and improvements at cost	-	1,847	-	<b>1,847</b>	-
Disposals	-	-	-	-	(685)
Revaluation gains/(losses) in the year	-	20	-	<b>20</b>	(505)
<b>Valuation at end of year</b>	<b>-</b>	<b>10,577</b>	<b>-</b>	<b>10,577</b>	<b>8,710</b>
<b>College</b>	<b>Agricultural £'000</b>	<b>Commercial £'000</b>	<b>Other £'000</b>	<b>2021 Total £'000</b>	<b>2020 Total £'000</b>
Valuation at start of year	-	8,710	-	<b>8,710</b>	9,900
Additions and improvements at cost	-	1,847	-	<b>1,847</b>	-
Disposals	-	-	-	-	(685)
Revaluation gains/(losses) in the year	-	20	-	<b>20</b>	(505)
<b>Valuation at end of year</b>	<b>-</b>	<b>10,577</b>	<b>-</b>	<b>10,577</b>	<b>8,710</b>

A formal valuation of the commercial property was prepared by Mr Craig Middleton MRICS of Cluttons LLP as at 31 July 2014. This valuation was updated to 31 July 2021 by Mr Ian Peck of Bidwells LLP.  
Investments property at 31 July 2021 include those with valuations reported on the basis of a material valuation uncertainty.

**12 OTHER INVESTMENTS**

All investments are held at fair value.

	<b>2021 £'000</b>	<b>2020 £'000</b>
<b>Group investments</b>		
Valuation at start of year	<b>92,253</b>	96,313
New money invested	<b>943</b>	2,201
Amounts withdrawn	<b>(7,888)</b>	-
Reinvested income	-	-
Investment management fees	<b>(207)</b>	(140)
(Decrease)/increase in value of investments	<b>16,277</b>	(6,121)
<b>Group investments at end of year</b>	<b>101,378</b>	<b>92,253</b>
Investments in subsidiaries	<b>(11,480)</b>	(9,674)
<b>College investments at end of year</b>	<b>89,898</b>	<b>82,579</b>

<b>Group investments comprise:</b>	<b>Held outside the UK £'000</b>	<b>Held in the UK £'000</b>	<b>2021 Total £'000</b>	<b>Held outside the UK £'000</b>	<b>Held in the UK £'000</b>	<b>2020 Total £'000</b>
Equity investments	21,847	10,345	<b>32,192</b>	14,768	11,891	26,659
Property funds	-	450	<b>450</b>	-	438	438
Fixed interest stocks	2,320	3,996	<b>6,316</b>	1,330	6,397	7,727
Alternative and other investments	43,052	18,451	<b>61,503</b>	38,019	16,997	55,016
Fixed term deposits and cash	-	917	<b>917</b>	-	2,413	2,413
<b>Total group investments</b>	<b>67,219</b>	<b>34,159</b>	<b>101,378</b>	<b>54,117</b>	<b>38,136</b>	<b>92,253</b>

**Somerville College**  
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**13 PARENT AND SUBSIDIARY UNDERTAKINGS**

The College holds 100% of the issued share capital in Somerville College Trading Limited, a company providing conference and other event services on the College premises, and 100% of the issued share capital of Somerville College Developments Limited. The College is the sole and controlling member of The Margaret Thatcher Scholarship Trust (Company No. 08600905, Charity No. 1154547).

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

	Parent College	SCTL	MTST	SCDL
	£'000	£'000	£'000	£'000
Income	11,657	66	512	276
Expenditure	(13,387)	(61)	(519)	(276)
Donation to College under gift aid	-	(5)	-	-
Result for the year	(1,730)	-	(7)	-
Total assets	251,763	221	12,632	102
Total liabilities	(37,869)	(221)	(949)	(102)
Net funds at the end of year	213,894	-	11,683	-

During the year a management charge of £7k (2020: £26k) was paid by Somerville College Trading Ltd to the College. At the year end, a balance of £204k (2020: £138k) was owed by Somerville College Trading Ltd to the College; a balance of £934k was owed by the Margaret Thatcher Scholarship Trust to the College (2020: £422k), a balance of £75k was owed by Somerville College Developments Ltd to Somerville College (2020: £122k). During the year Somerville College Developments Ltd charged Somerville College £5k (2020: £31k) for the cost of the development of the Catherine Hughes project.

**14 STATEMENT OF INVESTMENT TOTAL RETURN**

The Trustees have adopted a duly authorised policy of total return accounting for the College investment returns from the start of 2020.21. This year, because of the impact of the pandemic, the Trustees decided to take the maximum drawdown available from OUEM (5% of 31 December 2020 valuation) and a drawdown of £1.45m from Newton (representing 3.94% of the 31 July 2020 valuation).

	Trust for Investment £'000	Permanent Endowment Unapplied Total Return £'000	Total £'000	Expendable Endowment £'000	Total Endowments £'000
<b>At the beginning of the year:</b>					
Gift component of the permanent endowment	24,091		24,091		24,091
Unapplied total return		5,535	5,535		5,535
Expendable endowment				54,037	54,037
<b>Total Endowments</b>	<b>24,091</b>	<b>5,535</b>	<b>29,626</b>	<b>54,037</b>	<b>83,663</b>
<b>Movements in the reporting period:</b>					
Gift of endowment funds	1,180		1,180	573	1,753
Recoupment of trust for investment		-	-		-
Allocation from trust for investment	-	-	-		-
Investment return: total investment income		960	960	1,751	2,711
Investment return: realised and unrealised gains and losses		4,203	4,203	9,321	13,524
Less: Investment management costs			-		-
Other transfers					-
<b>Total</b>	<b>1,180</b>	<b>5,163</b>	<b>6,343</b>	<b>11,645</b>	<b>17,988</b>
Unapplied total return allocated to income in the reporting period		(1,448)	(1,448)	(2,640)	(4,088)
Transfers between funds	-	(1,448)	(1,448)	(2,570)	(2,570)
				(5,210)	(6,658)
<b>Net movements in reporting period</b>	<b>1,180</b>	<b>3,715</b>	<b>4,895</b>	<b>6,435</b>	<b>11,330</b>
<b>At end of the reporting period:</b>					
Gift component of the permanent endowment	25,271	-	25,271		25,271
Unapplied total return		9,250	9,250		9,250
Expendable endowment				60,472	60,472
<b>Total Endowments</b>	<b>25,271</b>	<b>9,250</b>	<b>34,521</b>	<b>60,472</b>	<b>94,993</b>

**Somerville College**  
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**15 DEBTORS**

	<b>2021</b>	2020	<b>2021</b>	2020
	<b>Group</b>	Group	<b>College</b>	College
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
<b>Amounts falling due within one year:</b>				
Trade debtors	170	145	26	58
Amounts owed by College members	343	236	343	236
Amounts owed by Group undertakings	-	-	1,212	682
Prepayments and accrued income	804	383	804	378
Other debtors	312	577	312	549
	<b>1,629</b>	<b>1,341</b>	<b>2,697</b>	<b>1,903</b>

**16 CREDITORS: falling due within one year**

	<b>2021</b>	2020	<b>2021</b>	2020
	<b>Group</b>	Group	<b>College</b>	College
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Trade creditors	530	535	524	441
Taxation and social security	149	167	145	167
Accruals and deferred income	603	496	552	443
Other creditors	2,495	693	2,495	693
	<b>3,777</b>	<b>1,891</b>	<b>3,716</b>	<b>1,744</b>

The £750K loan with University College relating to the purchase of the freehold of 123-127 Walton Street and 25-32 Little Clarendon St Oxford is due within 12 months and has been transferred from long term creditors to other creditors.  
Payment of £1375K is due to Shirehall relating to the purchase of 25-27 Little Clarendon Street

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

	<b>2021</b>	2020	<b>2021</b>	2020
	<b>Group</b>	Group	<b>College</b>	College
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Bank loans	10,000	10,000	10,000	10,000
Other creditors	25,000	25,750	25,000	25,750
	<b>35,000</b>	<b>35,750</b>	<b>35,000</b>	<b>35,750</b>

The bank loan consists of a £8M loan fixed for a 2 year period, plus a £2M loan with variable interest at 1% above LIBOR plus mandatory cost.  
The total £10M loan is repayable in 20 years.  
Other creditors consist of a £25M private placement bond secured with Prudential M&G  
The private bond placement consists of £10M for 30 years and £10M for 33 years at an interest rate of 3.29% and a further £5M secured for 30 years at an interest rate of 2.82%.

**Somerville College**  
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**18 ANALYSIS OF MOVEMENTS ON FUNDS**

	At 1 August 2020 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2021 £'000
<b>Endowment Funds - Permanent</b>						
<b>1. Fellowship funding:</b>						
Fellowship Endowment Fund	4,884	390	-	(276)	777	5,775
Indira Gandhi Fund	4,376	246	-	(247)	696	5,071
Catherine Hughes Fund	1,352	51	-	(76)	215	1,542
P. Norman Fellowship Fund	1,807	68	-	(102)	287	2,060
Scollan Fund	-	862	-	1,067	180	2,109
Other funds less than £500,000	1,815	68	-	(102)	289	2,070
<b>2. Academic awards:</b>						
Funds less than £500,000	1,262	47	-	(71)	201	1,439
<b>3. Student support:</b>						
Funds less than £500,000	2,034	147	-	(115)	324	2,390
<b>4. Other funds:</b>						
College Capital Fund	2,762	103	-	(156)	439	3,148
<b>Total endowment permanent</b>	<b>20,292</b>	<b>1,982</b>	<b>-</b>	<b>(78)</b>	<b>3,408</b>	<b>25,604</b>
<b>Endowment Funds - Expendable</b>						
<b>1. Fellowship funding:</b>						
Centenary Appeal Fund	771	29	-	(44)	123	879
E.P.A.Cephalosporin Fund	1,004	38	-	(57)	160	1,145
A & W Cobbe Fund Fund	3,663	137	-	(207)	583	4,176
L.Labowsky Fund 1992	722	27	-	(41)	115	823
Mitchell Fund	2,530	95	-	(143)	403	2,885
Carlisle & C.A.Lee Fund	856	32	-	(48)	136	976
Ernest Cook Fund	964	36	-	(54)	153	1,099
Mary Ewart Trust Fund	1,160	43	-	(66)	185	1,322
Rose Graham Fund	1,651	62	-	(93)	263	1,883
Daphne Osborne Fund	6,100	228	-	(344)	970	6,954
C. & D. Roaf Fund	1,313	49	-	(74)	209	1,497
Mary Snow Fellowship Fund	1,613	60	-	(91)	257	1,839
Mary Somerville Research Fund	1,050	39	-	(59)	167	1,197
Margaret Thatcher Fund	413	15	-	(23)	66	471
K & L Woolley Fund Fund	955	36	-	(54)	152	1,089
Wolfson Fund	725	27	-	(41)	115	826
E Goulding Fund	-	505	-	-	-	505
Scollan Fund	1,131	-	-	(1,131)	-	-
	26,621	1,458	-	(2,570)	4,057	29,566
Other funds less than £500,000	5,195	196	-	(293)	826	5,924
	31,816	1,654	-	(2,863)	4,883	35,490
<b>2. Academic awards:</b>						
Janet Watson Fund	856	32	-	(48)	136	976
Other funds less than £500,000	4,230	165	-	(239)	673	4,829
	5,086	197	-	(287)	809	5,805
<b>3. Student Support:</b>						
Bursary Fund	3,125	153	-	(176)	497	3,599
Dame Emily Penrose Fund	812	30	-	(46)	129	925
Other funds less than £500,000	3,118	137	-	(176)	496	3,575
	7,055	320	-	(398)	1,122	8,099



**Somerville College**  
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**18 ANALYSIS OF MOVEMENTS ON FUNDS cont.**

**4. Other funds:**

General Endowment Fund	3,657	142	-	(207)	582	4,174
Loan Repayment Fund	2,217	-	-	(2,570)	353	-
Carys Bannister Fund	1,234	46	-	(70)	196	1,406
C A Lee Fund	603	23	-	(34)	96	688
Other funds less than £500,000	2,645	99	-	(151)	421	3,014
	<u>10,356</u>	<u>310</u>	<u>-</u>	<u>(3,032)</u>	<u>1,648</u>	<u>9,282</u>

<b>Total endowment funds, expendable</b>	<u>54,313</u>	<u>2,481</u>	<u>-</u>	<u>(6,580)</u>	<u>8,462</u>	<u>58,676</u>
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<b>Total Endowment Funds - College</b>	<u>74,605</u>	<u>4,464</u>	<u>-</u>	<u>(6,658)</u>	<u>11,869</u>	<u>84,280</u>
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Endowment funds held by subsidiaries	9,058	-	-	-	1,655	10,713
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<b>Total Endowment Funds - Group</b>	<u>83,663</u>	<u>4,464</u>	<u>-</u>	<u>(6,658)</u>	<u>13,524</u>	<u>94,993</u>
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	At 1 August 2,020 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2,021 £'000
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**Restricted Funds**

Endowment income	2,314	366	(2,464)	2,188	-	2,404
Other restricted funds	539	-	-	-	-	539

<b>Total Restricted Funds - College</b>	<u>2,853</u>	<u>366</u>	<u>(2,464)</u>	<u>2,188</u>	<u>-</u>	<u>2,943</u>
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Restricted funds held by subsidiaries	-	-	-	-	-	-
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<b>Total Restricted Funds - Group</b>	<u>2,853</u>	<u>366</u>	<u>(2,464)</u>	<u>2,188</u>	<u>-</u>	<u>2,943</u>
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**Unrestricted Funds**

General funds	384	-	-	659	-	1,043
Designated funds	3,500	-	-	-	-	3,500
Loan designated fund	-	-	-	2,907	-	2,907
Fixed Asset designated funds	133,398	6,767	(11,265)	825	2,634	132,359
Pension reserve	(832)	-	-	79	-	(753)

<b>Total Unrestricted Funds - College</b>	<u>136,450</u>	<u>6,767</u>	<u>(11,265)</u>	<u>4,470</u>	<u>2,634</u>	<u>139,056</u>
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Unrestricted funds held by subsidiaries	838	512	(519)	-	139	970
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<b>Total Unrestricted Funds - Group</b>	<u>137,288</u>	<u>7,279</u>	<u>(11,784)</u>	<u>4,470</u>	<u>2,773</u>	<u>140,026</u>
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<b>Total Funds</b>	<u>223,804</u>	<u>12,109</u>	<u>(14,248)</u>	<u>-</u>	<u>16,297</u>	<u>237,962</u>
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**19 FUNDS OF THE COLLEGE DETAILS**

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

**Endowment Funds - Permanent:**

Fellowship Endowment Fund	A fund established for the purpose of building up a general endowment of official stipends.
Indira Gandhi Fund	A joint initiative between the University, the College and the Government of India, to provide graduate scholarships for students from India to study in Oxford on programmes relating to sustainable development.

**Endowment Funds - Expendable:**

Carys Bannister Fund	Established from a bequest, used to fund medicine.
Centenary Appeal Fund	An appeal established to mark the College's centenary, income currently used towards Tutorial Fellowship funding.
E.P.A.Cephalosporin	Established by gifts from the E.P.A.Cephalosporin fund to recognise Dorothy Hodgkin's association with the College, and used to fund Tutorial fellowship costs in medical, biological or chemical sciences.
A & W Cobbe Fund	Established from a bequest, used to fund tutorial costs in mathematics.
L.Labowsky Fund	Established from a bequest, used to fund a fellowship in English language & literature.
Mitchell Fund	A gift and subsequent legacy, the income to be used towards the stipend of a Tutorial Fellow in English, and thereafter for general purposes.
Carlisle & C.A.Lee Fund	A fund established from several bequests, income from which funds the cost of special leave by Tutorial Fellows.
Ernest Cook Fund	Established by benefaction to endow a research fellowship in environmental studies.
Mary Ewart Trust Fund	A fund used to provide scholarships and travelling grants and to fund the stipend of a research fellowship
Rose Graham Fund	Established from a bequest, used to fund a fellowship in European or English History prior to 1700.

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**19 FUNDS OF THE COLLEGE DETAILS cont.**

Daphne Osborne Fund	Established from a bequest, used to fund a fellowship in Physical and/or Biological Sciences
C. & D. Roaf Fund	Gifts used to support the study and teaching of Modern Languages
Mary Snow Fellowship	A gift used to contribute towards the stipend of a Tutorial Fellow in the Biological Sciences
Mary Somerville Res. Fund	A fund established from donations to cover the stipend of a Research Fellowship.
Margaret Thatcher	Established to fund the teaching of Chemistry and Law
K & L Woolley Fund	Established by a bequest, used to provide a Scholarship or Fellowship in near, Middle-East Mediterranean or Far East Archaeology
Wolfson Fund	A gift from the Wolfson Foundation used to endow a tutorial fellowship in the Natural Sciences.

**Restricted Funds:**

1. Permanent endowment income	Income generated from permanent endowment funds, available for current and future costs as restricted by the underlying endowment fund.
2. Expendable endowment income	Income generated from expendable endowment funds, available for current and future costs as restricted by the underlying endowment fund.
3. ROQ Building project appeal	Gifts and legacies received in connection with the College Appeal, for use in contributing towards the costs of new accommodation buildings on the Radcliffe Observatory Quarter

**Designated Funds**

Designated Other	Unrestricted Funds allocated by the Fellows for current and future costs of related to particular purposes.
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Fixed Asset Fund	A New fund to reflect those funds invested in the College's fixed assets.
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The General Unrestricted Funds represent accumulated income from the College's activities and other sources that are available for the general purposes of the College.

**20 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

Group	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2021 Total £'000
Tangible fixed assets	-	162,907	-	-	162,907
Property investments	-	10,577	-	-	10,577
Other investments	2,540	2,907	938	94,993	101,378
Net current assets/(liabilities)	(527)	(2,625)	2,005	-	(1,147)
Long term liabilities	-	(35,753)	-	-	(35,753)
	<u>2,013</u>	<u>138,013</u>	<u>2,943</u>	<u>94,993</u>	<u>237,962</u>

Group	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2020 Total £'000
Tangible fixed assets	-	156,545	-	1,750	158,295
Property investments	-	8,710	-	-	8,710
Other investments	4,408	3,500	1,682	82,663	92,253
Net current assets	(43)	-	1,171	-	1,128
Long term liabilities	(3,177)	(32,655)	-	(750)	(36,582)
	<u>1,188</u>	<u>136,100</u>	<u>2,853</u>	<u>83,663</u>	<u>223,804</u>

**21 TRUSTEES' REMUNERATION**

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

Trustees of the college fall into the following categories:

Head of House  
Professorial Fellow  
Official Fellow  
Fellow by Special Election

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

All Official Fellows are eligible for a Housing Allowance, which is disclosed within the salary figures below. Seven trustees live in accommodation owned by the college and pay market rent on a monthly basis.

The College has a Remuneration Committee which makes recommendations to Governing Body on pay and benefits which are outside of external scales.

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**21 TRUSTEES' REMUNERATION cont.**  
**Remuneration paid to trustees**

Range	Number of Trustees/Fellows	2021	Number of Trustees/Fellows	2020
		Gross remuneration, taxable benefits and pension contributions £		Gross remuneration, taxable benefits and pension contributions £
£0-£1,000				
£2,000-£2,999			1	2,039
£4,000-£4,999			1	4,139
£7,000-£7,999			1	7,362
£9,000-£9,999				
£10,000-£10,999	1	10,468		
£11,000-£11,999	1	11,600		
£12,000-£12,999	1	12,879	1	12,169
£13,000-£13,999	1	13,540	2	26,325
£15,000-£15,999			1	15,843
£18,000-£18,999	2	37,124		
£22,000-£22,999			1	22,248
£23,000-£23,999			1	23,674
£24,000-£24,999	11	270,414	7	169,731
£25,000-£25,999			1	25,370
£26,000-£26,999			2	52,296
£30,000-£30,999	1	30,647		
£34,000-£34,999				
£37,000-£37,999			1	37,331
£38,000-£38,999	1	38,508		
£40,000-£40,999			1	40,044
£43,000-£43,999	1	43,819	1	43,651
£44,000-£44,999	1	44,872		
£46,000-£46,999				
£47,000-£47,999	1	47,509		
£48,000-£48,999	1	48,508	1	48,379
£50,000-£50,999			1	50,703
£52,000-£52,999			1	52,186
£53,000-£53,999				
£55,000-£55,999				
£58,000-£58,999	5	294,982	5	293,491
£59,000-£59,999	3	178,079		
£60,000-£60,999			1	60,879
£63,000-£63,999	2	127,254	3	189,657
£64,000-£64,999			1	64,540
£81,000-£81,999				
£82,000-£82,999			1	82,122
£87,000-£87,999	1	87,125		
£90,000-£90,999			1	90,522
£91,000-£91,999	1	91,157		
£121,000-£121,999	1	121,224		
£122,000-£122,999	1	122,196		
£124,000-£124,999			1	124,329
£125,000-£125,999			1	125,496
£144,000-£144,999	1	144,218		
£147,000-£147,999			1	147,072
<b>Total</b>	<b>38</b>	<b>1,776,121</b>	<b>40</b>	<b>1,811,598</b>

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

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

**Other transactions with trustees**

Fellows also receive reimbursement of personal expenses necessarily incurred in connection with their services to the College as Trustees. During the year a total of £6K (2020 - £19K) was reimbursed to 5 (2020 - 17) of the Trustees for research.

See also note 27 Related Party Transactions

**Key management remuneration**

The total remuneration paid to key management was £623k (2020: £624k).

Key management are considered to be the College Officers as detailed in the Governing Body Report

## 22 PENSION SCHEMES

### Schemes in operation

The College participates in two pension schemes on behalf of its staff:

- (i) The Universities Superannuation Scheme ("the USS") and
- (ii) A group personal pension scheme operated by Aviva (formerly the Friends Life New Generation Group Pension Scheme).

The USS is a hybrid pension schemes, providing defined benefits based on salaries as well as benefits based on contributions.

The assets of USS are held in a separate trustee-administered fund.

The USS scheme is a multi-employer scheme and the College is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. Therefore, as required by FRS 102, the College accounts for the scheme as if it were a defined contribution scheme.

The USS scheme has put in place an agreement for additional contributions to fund the past service deficit. 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.

### Universities Superannuation Scheme

The pension charge for the year in the Statement of Financial Activities includes £274k (2020 - £70k) in relation to the USS. This represents normal contributions of £359k (2020 - £357k) payable to the USS as adjusted by the change in the deficit funding liability between the opening and closing balance sheet dates of -£85k (2020 -£287k).

Following changes to the USS, this scheme now comprises two parts, USS Retirement Income Builder which is a defined benefit arrangement and USS Investment Builder which is a defined contribution arrangement.

The latest triennial actuarial valuation of the USS defined benefit liabilities was prepared as at 31 March 2020 and the related actuarial report and contribution determination were shared with the USS's Joint Negotiating Committee (JNC) (which represents employers and scheme members) in March 2021.

This report sets out increases in pension contributions that would be necessary to maintain the scheme's existing benefits under three scenarios. The most favourable of these scenarios required an overall contribution rate of 42.1% with higher rates for the other scenarios of 49.6% and 56.2%. These compare to the current overall contribution rate of 30.7%. The scheme deficit as at March 2020 also varies depending on the scenario from £14.9bn to £17.9bn (on a technical provisions basis).

In response to these rising costs of providing the scheme's current benefits, the JNC has proposed changes to the way future benefits are built up which, if agreed, will pave the way for the introduction of new contribution rates.

Any changes are still subject to a statutory employer-led consultation with affected employees and their representatives and, because of the necessary time for this, USS informed The Pensions Regulator that it was not possible to complete the 2020 valuation by the statutory deadline of 30 June 2021. The current expectation is that the valuation process will not conclude until late 2021 or early 2022.

Under the terms of the previous 2018 valuation, the total contributions from employers and active members of the scheme were set to rise to 34.7% from October 2021 – split 23.7% and 11% respectively. Subject to the above consultation on the 2020 valuation, a total contribution rate from October 2021 of 31.2% is proposed - split 21.4% and 9.8% respectively.

In summary, the current and proposed future contribution rates are:

	Employer	Employee	Total
1 October 2019 to 30 September 2021	21.1%	9.6%	30.7%
1 October 2021 – from 2018 valuation	23.70%	11.0%	34.7%
1 October 2021 – from JNC proposed scheme changes	21.40%	9.8%	31.2%

The College has used a financial modeller to estimate the expected future deficit funding contributions payable and the present value of this amount is recognised as a liability in the balance sheet. Changes in the estimated amount of this deficit funding liability each year are shown on the Statement of Financial Activities. For the year ended 31 July 2021 the College's provision for the USS deficit funding liability was £753k (2020 – £832k).

Further details on the Actuarial Valuations of the USS can be found on the USS website.

<https://www.uss.co.uk/actuarial-valuation>

### Pension charge for the year

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

	2021 £k	2020 £k
University Superannuation Scheme	274	70
Friends Life NGGPS	300	287
	<u>574</u>	<u>357</u>

## 23 TAXATION

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

**Somerville College**  
**Notes to the financial statements**  
**For the year ended 31 July 2021**

**24 FINANCIAL INSTRUMENTS**

The financial statements include the following in respect of items held at fair value:

	<b>Group</b>		<b>College</b>	
	<b>2021 £'000</b>	2020 £'000	<b>2021 £'000</b>	2020 £'000
Financial assets measured at fair value through profit or loss	101,378	92,253	89,898	82,579
Financial liabilities measured at fair value through profit or loss	753	832	753	832
Financial assets measured at amortised cost	2,365	2,789	2,102	2,427
Financial liabilities measured at amortised cost	38,593	37,437	38,536	37,290

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

	<b>2021 Group £'000</b>	2020 Group £'000
<b>Net income/(expenditure)</b>	14,158	(8,001)
Elimination of non-operating cash flows:		
Investment income	(3,583)	(3,925)
(Gains)/losses in investments	(16,297)	6,626
Endowment donations	(1,753)	(751)
Financing costs	1,107	1,066
Depreciation	2,239	2,161
(Surplus)/loss on sale of fixed assets	-	(165)
(Increase) in stock	20	(24)
Decrease in debtors	(288)	2,094
Increase in creditors	1,136	(499)
Decrease)/Increase in provisions	(79)	(259)
<b>Net cash provided by (used in) operating activities</b>	<b>(3,340)</b>	<b>(1,677)</b>

**26 ANALYSIS OF CHANGES IN NET DEBT**

	Start of Year £'000	Cash Flows £'000	End of Year £'000
Cash	1,590	(652)	938
Loans falling due after more than one year	(35,750)	750	(35,000)
<b>Total</b>	<b>(34,160)</b>	<b>98</b>	<b>(34,062)</b>

**27 ANALYSIS OF CASH AND CASH EQUIVALENTS**

	<b>2021 £'000</b>	2020 £'000
Cash at bank and in hand	938	1,590
<b>Total cash and cash equivalents</b>	<b>938</b>	<b>1,590</b>

**Somerville College**  
**Notes to the financial statements**  
**For the year ended 31 July 2021**

**28 COMMITMENTS UNDER OPERATING LEASES**

The group 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 straight-line basis over the period of the lease.

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

	2021 £'000	2020 £'000
<b>Group and Company</b>		
Not later than 1 year	647	661
Later than 1 year and not later than 5 years	1,977	2,348
Later than 5 years	2,312	2,992
	<b>4,936</b>	<b>6,001</b>

**29 CAPITAL COMMITMENTS**

The College had contracted commitments at 31 July for future capital projects totalling £0k (2020 - £4,000k).

**30 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 following trustees had loans outstanding from the College at the start and/or end of the year.

	2021 £'000	2020 £'000
B Thompson	100	100

Interest is charged on the above loan at 4% per annum. The loan is repayable within 4 years or on the departure of the trustee from the College if earlier.

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

	2021 £'000	2020 £'000
A Sutherland	163	167
M Hayward	70	72
C Hare	162	166
R Van der Hoorn	89	91
B Dignas	179	183
L Mycock	189	193

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

**31 CONTINGENT LIABILITIES**

There were no contingent liabilities at 31 July 2021

**32 POST BALANCE SHEET EVENTS**

Since the year end, following the completion of the 2020 actuarial valuation, a new dual rate schedule of contributions has been agreed with an effective date of 1 October 2021. Recalculating the USS provision on the basis of these contributions would result in an increased obligation to fund the deficit of £2,501k, an increase of £1,748k.

A further change to deficit recovery contributions will become applicable under the 2020 valuation if the Joint Negotiating Committee recommended deed on benefit changes has not been executed by 28 February 2022. In this scenario, higher deficit recovery contributions will commence from 1 October 2022 at 3% and then increase every 6 months until they reach 20% at 1 October 2025. They remain at this level until 31 July 2032. Negotiations continue and an increase at this level is considered remote.

If the Schedule of Contributions remains unchanged, the University's Financial Statements for the year ended 31 July 2022 will reflect these changes to the provision, subject to any other changes in financial and operational assumptions.

**Somerville College**  
**Notes to the financial statements**  
**For the year ended 31 July 2021**

**33 PRIOR YEAR COMPARATIVE INFORMATION**

**a. Consolidated Statement of Financial Activities**  
**For the year ended 31 July 2020**

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2020 Total £'000
<b>INCOME AND ENDOWMENTS FROM:</b>					
<b>Charitable activities:</b>					
Teaching, research and residential		5,396	0	0	5,396
<b>Other Trading Income</b>		289	0	0	289
<b>Donations and legacies</b>		1,150	226	751	2,127
<b>Investments</b>					
Investment income		1,988	1,937	0	3,925
Other income		410	0	0	410
<b>Total income</b>		<u>9,233</u>	<u>2,163</u>	<u>751</u>	<u>12,147</u>
<b>EXPENDITURE ON:</b>					
<b>Charitable activities:</b>					
Teaching, research and residential		10,221	2,214	0	12,435
<b>Raising funds:</b>					
Fundraising		761	0	0	761
Trading expenditure		135	0	0	135
Investment management costs		71	120	0	191
<b>Total Expenditure</b>		<u>11,188</u>	<u>2,334</u>	<u>0</u>	<u>13,522</u>
<b>Net Income/(Expenditure) before gains</b>		<u>(1,955)</u>	<u>(171)</u>	<u>751</u>	<u>(1,375)</u>
Net gains/(losses) on investments		(1,262)	0	(5,364)	(6,626)
<b>Net Income/(Expenditure)</b>		<u>(3,217)</u>	<u>(171)</u>	<u>(4,613)</u>	<u>(8,001)</u>
<b>Transfers between funds</b>		(335)	0	335	0
<b>Net movement in funds for the year</b>		(3,552)	(171)	(4,278)	(8,001)
<b>Fund balances brought forward</b>		140,840	3,024	87,941	231,805
<b>Funds carried forward at 31 July</b>		<u><b>137,288</b></u>	<u><b>2,853</b></u>	<u><b>83,663</b></u>	<u><b>223,804</b></u>

**b. ANALYSIS OF MOVEMENTS ON FUNDS**

	At 1 August 2019 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2020 £'000
<b>Endowment Funds - Permanent</b>						
<b>1. Fellowship funding:</b>						
Fellowship Endowment Fund	5,071	132	0	0	(319)	4,884
Indira Gandhi Fund	4,670	0	0	0	(294)	4,376
Catherine Hughes Fund	1,443	0	0	0	(91)	1,352
P. Norman Fellowship Fund	1,928	0	0	0	(121)	1,807
Other funds less than £500,000	1,937	0	0	0	(122)	1,815
<b>2. Academic awards:</b>						
Funds less than £500,000	1,347	0	0	0	(85)	1,262
<b>3. Student support:</b>						
Funds less than £500,000	2,170	0	0	0	(136)	2,034
<b>4. Other funds:</b>						
College Capital Fund	2,821	118	0	0	(177)	2,762
<b>Total endowment permanent</b>	<u>21,387</u>	<u>250</u>	<u>0</u>	<u>0</u>	<u>(1,345)</u>	<u>20,292</u>

**Somerville College**  
**Notes to the financial statements**  
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**33 PRIOR YEAR COMPARATIVE INFORMATION Cont.**

**b. ANALYSIS OF MOVEMENTS ON FUNDS**

Endowment Funds - Expendable

1. Fellowship funding:

Centenary Appeal Fund	823	0	0	0	(52)	771
E.P.A.Cephalosporin Fund	1,071	0	0	0	(67)	1,004
A & W Cobbe Fund Fund	3,909	0	0	0	(246)	3,663
L.Labowsky Fund 1992	770	0	0	0	(48)	722
Mitchell Fund	2,700	0	0	0	(170)	2,530
Carlisle & C.A.Lee Fund	913	0	0	0	(57)	856
Ernest Cook Fund	1,029	0	0	0	(65)	964
Mary Ewart Trust Fund	1,238	0	0	0	(78)	1,160
Rose Graham Fund	1,762	0	0	0	(111)	1,651
Daphne Osborne Fund	6,509	0	0	0	(409)	6,100
C. & D. Roaf Fund	1,401	0	0	0	(88)	1,313
Mary Snow Fellowship Fund	1,721	0	0	0	(108)	1,613
Mary Somerville Research Fund	1,120	0	0	0	(70)	1,050
Margaret Thatcher Fund	441	0	0	0	(28)	413
K & L Woolley Fund Fund	1,019	0	0	0	(64)	955
Wolfson Fund	774	0	0	0	(49)	725
Scollan Fund	887	300	0	0	(56)	1,131
	28,087	300	0	0	(1,766)	26,621

Other funds less than £500,000

	5,543				(348)	5,195
	33,630	300	0	0	(2,114)	31,816

2. Academic awards:

Janet Watson Fund	913	0	0	0	(57)	856
Other funds less than £500,000	4,480	32	0	0	(282)	4,230
	5,393	32	0	0	(339)	5,086

3. Student Support:

Bursary Fund	3,217	110	0	0	(202)	3,125
Dame Emily Penrose Fund	867	0	0	0	(55)	812
Other funds less than £500,000	3,270	54	0	0	(206)	3,118
	7,354	164	0	0	(463)	7,055

4. Other funds:

General Endowment Fund	3,897	5	0	0	(245)	3,657
Loan Repayment Fund	2,008	0	0	335	(126)	2,217
Carys Bannister Fund	1,317	0	0	0	(83)	1,234
C A Lee Fund	643	0	0	0	(40)	603
Other funds less than £500,000	2,822	0	0	0	(177)	2,645
	10,687	5	0	335	(671)	10,356

Total endowment funds, expendable

	57,064	501	0	335	(3,587)	54,313
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Total Endowment Funds - College

	78,451	751	0	335	(4,932)	74,605
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Endowment funds held by subsidiaries

	9,490	0	0	0	(432)	9,058
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**Total Endowment Funds - Group**

	87,941	751	0	335	(5,364)	83,663
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At 1 August 2019 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2020 £'000
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Restricted Funds

Endowment income	2,485	2,163	(2,334)	0	0	2,314
Other restricted funds	539	0	0	0	0	539

Total Restricted Funds - College

	3,024	2,163	(2,334)	0	0	2,853
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Restricted funds held by subsidiaries

	0	0	0	0	0	0
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**Total Restricted Funds - Group**

	3,024	2,163	(2,334)	0	0	2,853
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Unrestricted Funds

General funds	1,499	0	0	(1,115)	0	384
Designated funds	4,013	0		(513)		3,500
Fixed Asset designated funds	135,615	8,744	(10,770)	1,034	(1,225)	133,398
Revaluation reserve	0					0
Pension reserve	(1,091)		0	259		(832)

Total Unrestricted Funds - College

	140,036	8,744	(10,770)	(335)	(1,225)	136,450
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Unrestricted funds held by subsidiaries

	804	489	(418)	0	(37)	838
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**Total Unrestricted Funds - Group**

	140,840	9,233	(11,188)	(335)	(1,262)	137,288
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**Total Funds**

	231,805	12,147	(13,522)	0	(6,626)	233,804
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