

Hertford College

Annual Report and Financial Statements

Year ended 31st July 2020

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HERTFORD COLLEGE

Report of the Governing Body

Year ended 31 July 2020

MEMBERS OF THE GOVERNING BODY

The Members of the Governing Body are the College's charity trustees under charity law. The members of the Governing Body who served in office as Governors during the year are detailed below.

Governing Body Fellow	College Officers	In year change	(1)	(2)	(3)	(4)	(5)
Professor L F Alday							
Professor E Baldwin	Tutor for Equality & Diversity						
Professor H Bayley							
Professor R N E Barton							
Dr T Boneva		To 1/4/20		•			
Professor C D Brewer							
Professor E Chatzis							
Mr J K Clark	Bursar			•	•	•	•
Dr B Coxon		To 1/10/19					
Professor Z F Cui							
Professor F Duarte						•	
Dr D Dwan						•	•
Professor B M Frellesvig	Tutor for Graduates		•		•	•	
Dr A Galanis							•
Dr K Greasley			•				
Professor D Greaves				•			
Professor D M Hopkin	Senior Tutor		•		•	•	
Mr W N Hutton	Principal		•	•	•	•	•
Dr J Kiaer							
Professor D Kielak		From 1/7/20					
Professor A G Lauder	Dean of Degrees						
Professor P Ligoxygakis						•	
Dr J Lorimer				•			
Dr K Lunn-Rockliffe						•	
Professor I McBride							
Professor M Maiden							
Dr L Malafouris		From 1/7/20					
Professor A Mikes		From 1/8/19	•				
Professor P J R Millican			•				

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Governing Body Fellow	College Officers	In year change	(1)	(2)	(3)	(4)	(5)
Dr A Nair		From 1/9/19					
Dr S J New	Student Conduct Officer						
Dr O J Noble Wood							•
Professor S Parameswaran			•				
Professor P F Roche	Investment Bursar			•	•	•	
Dr L Slater				•			
Dr C Sloan		From 31/10/19	•				
Professor E Smith	Fellow Librarian		•		•		
Professor G Sternberg							
Ms J Thaxton	Director of Development	To 20/10/19			•		
Professor D Thomas							
Professor C Tyerman	Fellow Archivist				•		
Professor C Vallance							
Professor T Wilson							
Professor M Wooldridge					•		
Professor A C S Woollard	Dean					•	•
Ms F Wheare	Director of Development	From 24/2/20			•		
Professor G Wright							
Professor R G Zubek			•				

During the year the activities of the Governing Body were carried out through six committees. The membership of these committees during the academic year 2019/20 is shown above for each Fellow.

- (1) Academic Committee
- (2) Treasury Committee
- (3) Development Committee
- (4) General Purposes Committee
- (5) Domus Committee

COLLEGE SENIOR STAFF

The senior staff of the College to whom day to day management is delegated and who are regarded as Key Management Personnel are as follows.

Deputy Bursar	<i>Mr Graham May</i>
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Domestic Bursar	<i>Mr Gareth Tebbutt</i>
Registrar and Director of Admissions	<i>Ms Lynn Featherstone</i>

COLLEGE ADVISERS

Investment managers

Rathbones Investment Management Ltd
8 Finsbury Circus
London
EC2M 7AZ

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

Auditor

Crowe U.K. LLP
55 Ludgate Hill
London
EC4M 7JW

Bankers

Barclays Bank PLC
Oxford City Branch
PO Box 333
Oxford OX1 3HS

Solicitors

Knights 1759
Midland House
West Way
Botley
Oxford
OX2 0PH
United Kingdom

College address

Hertford College
Catte street
Oxford OX1 3BW

Website

www.hertford.ox.ac.uk

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REPORT OF THE GOVERNING BODY

The Members of the Governing Body present their Annual Report for the year ended 31st July 2020 under the Charities Act 2011 together with the audited financial statements for the year.

REFERENCE AND ADMINISTRATIVE INFORMATION

The Principal Fellows and Scholars of Hertford College in the University of Oxford, which is known as Hertford College ("the College"), is an eleemosynary chartered charitable corporation aggregate. The College was founded by an Act of Parliament in 1874 that incorporated Magdalen Hall as Hertford College. An Act of Parliament of 1816 had granted Magdalen Hall the site and residual possessions of an earlier, by then defunct, Hertford College. This had received a Royal Charter in 1740, being the successor to Hart Hall which claimed its origins in a hall of residence established by Elias de Hertford c. 1282. The College registered with the Charities Commission on 17th August 2010 (registered number 1137527).

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 advisers of the College, are given on pages 2 to 4.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

The College is governed by its Statutes made under the provision of the Oxford and Cambridge act 1923 and approved by Order in Council on 12th October 2011.

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. New members of the Governing Body are elected by the votes of not less than two thirds of the total number of Fellows and with the consent of the Principal.

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

Recruitment and training of Members of the Governing Body

New Members of the Governing Body are inducted into the workings of the College, including Governing Body policy and procedures, by the Principal and Bursar.

Members of the Governing Body can attend trustee information briefings to keep them informed of their duties as trustees and about regulatory requirements.

Remuneration of Members of the Governing Body and Senior College Staff

Members of the Governing Body receive no remuneration or benefits from their trusteeship of the College. Those members that are also employees of the College receive remuneration for their work as employees of the College, which is set in accordance with the advice of the College's Remuneration Committee. Where possible and relevant, remuneration is set in line with that awarded to the University's academic staff. All staff are all remunerated at a level which equals or exceeds the National Living Wage.

The remuneration of senior college staff is set by the Treasury Committee in line with guidelines set by the Remuneration Committee by reference to the annual (anonymised) survey of College Officers and Fellows' Benefits conducted by the University and Conference of Colleges.

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Report of the Governing Body

Year ended 31 July 2020

Organisational management

The members of the Governing Body meet at least six times a year. The main work of developing their policies and monitoring their implementation is carried out by various committees:

- Academic Committee: advises and reports to Governing Body on all matters relating to academic policy and has oversight of the academic reputation of the College in all its aspects.
- Treasury Committee: has oversight of the College's finances and investments and reports to Governing Body on the effectiveness and propriety of the College's financial management.
- Development Committee: leads on the development of the strategy for the College's development activities, identifies funding priorities within the framework of the College's strategic plan and liaises with the Treasury Committee to oversee the performance and financial management of the Development Office.
- General Purposes Committee: receives reports from and provides support to the Principal on College business in his role as its representative within the University and the wider world. The Committee receives nominations for College Offices and the membership of committees.
- Domus Committee: has oversight of the domestic management of the College.
- Remuneration Committee: consists of four persons not in receipt of remuneration from the College of which three are not members of Governing Body. The Committee makes recommendations to the Governing Body on Fellows' allowances and College Officers' stipends.

The day-to-day running of the College is delegated to the Bursar, who is supported by the Deputy and Domestic Bursars. The Bursar attends all meetings of the Governing Body's Committees, with the exception of Academic Committee.

Group structure and relationships

The College administers a number of special trusts, as detailed in Notes 17 and 18 to the financial statements.

The College has a two wholly-owned non-charitable subsidiaries. Hertford College Programmes started trading on 1st August 2010, and its activities primarily comprise conferences and English Language programmes which use the College's facilities when not in use by the College. Annual profits are donated to the College under the Gift Aid Scheme. Hertford College Design and Build started trading on 13th March 2020, and its activities comprise designing, commissioning and constructing new estates facilities for the College. Hertford College Design and Build will be preparing its first set of accounts for the period to 31st July 2021. Annual profits are donated to the College under the Gift Aid Scheme.

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

OBJECTIVES AND ACTIVITIES

Charitable Objects and Aims

The College's Objects are to advance public learning by the provision of a college in the University of Oxford.

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

- Promote excellence in undergraduate education, including pastoral and academic support,
- Make that excellence accessible to all who can benefit from it regardless of their social or economic background,
- Provide pastoral and academic support to graduate students, and

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- Promote excellence in research on the part of its Fellows and Stipendiary Lecturers.

The aims of the College's subsidiaries are to help to fund the achievement of the College's aims as above.

The College remains committed to the aim of providing public benefit in accordance with its founding principles. The College's Public Benefit Statement is published on the College website.

The College advances public learning by providing higher education to undergraduate and postgraduate students within Oxford University and by supporting the pursuit of publicly disseminated research. The College currently has approximately 415 undergraduates, 265 postgraduates, and 33 fellows who have contractual obligations to teach as well as research. The College provides public benefit by offering higher education to its undergraduates, much of it via the tutorial system which provides the opportunity to meet with a tutor on a weekly basis during term time. In addition, the College provides classes, seminars and other forms of teaching as appropriate, in conjunction with the University's departments. To support student learning, the College also provides the use of the College's library and accommodation and actively promotes the wider cultural and social education of its students through the provision of computer, sports, careers advice and other facilities.

Graduates at the College form an important part of the academic community. While they are taught at their University Faculty, every graduate student is assigned a College Graduate Adviser who provides pastoral support.

The College also advances research in a range of disciplines by employing academics who have a contractual obligation to undertake published research, and providing them with a supportive academic atmosphere, including the provision of research grants, library and computer facilities, office accommodation and meals. The high levels of research activity by College fellows have been audited by the 2014 Research Excellence Framework; research is disseminated through published papers, books, websites and lectures. The College supports the research of academics who, at the beginning of their careers, have already shown outstanding promise in their chosen field of research by providing a fully funded Junior Research or Career Development Fellowship for a period of up to three years to enable the holders to concentrate solely on their topic of research.

The College offers undergraduate places on the basis of academic merit. The College aims to attract the students who are most able to benefit from an Oxford education regardless of sex, gender, income, ethnic origin, religion, previous educational opportunity, or disability, and actively works to recruit students from non-traditional backgrounds by encouraging applications from under-represented groups.

Financial support is available to undergraduates from the UK or the EU to assist them with the costs of tuition fees and living costs whilst at the College. In addition to the student loans provided by the Student Loans Company that are available to undergraduates from within the EU, other financial support from the University and the College is available to undergraduates who are from households where income is below a certain level. A range of financial support is also available to Graduate students.

- **Oxford Bursaries** are available to UK undergraduates from households assessed as having a sufficiently low income. In the 2019/20 academic year, 104 of the College's undergraduates received an Oxford Opportunity Bursary funded jointly by the University and the College.
- In 2011/12 the College introduced a **Hertford Undergraduate Bursary** of £1,000, payable to most undergraduates eligible for an Oxford Opportunity Bursary. This bursary was extended to EU students in 2012/13. In 2019/20, 100 Hertford students were awarded the Hertford Undergraduate Bursary.
- The College offers **Student Support** in the form of grants to both undergraduate and graduate students who experience unexpected financial hardship, for academic related travel, or as rent subsidies. In 2019/20 the College distributed £140k to support students in this way.
- The College also provides a range of academic awards, which totalled £343k in 2019/20.

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- Graduate funding is available for some studies and for the most able there are a limited number of scholarship funds available for which graduates may apply, which are administered by the University, the College or other sources. The College awards Senior Scholarships each year which are open to any student reading for a higher degree in Oxford. In 2019/20 Senior Scholarships totalled £196k. In addition, there were other awards, including academic prizes, totalling £147k.

ACADEMIC REVIEW

In line with the principle set out in our Academic Strategy that we should aim to operate with two fellows in most subjects, we recruited five new fellows in 2019-20, despite the restrictions placed on processes by Covid-19. Three of these were replacements (Maths, Economics, Medicine), however the second Philosophy fellow and the second Archaeology fellow are additions to strengthen our provision going forward. This means that, in the last three years, sixteen new joint appointments have been added to the College's Governing Body. Of those sixteen, ten are women, which has made a significant alteration to the profile of the College. Having more fellows provides greater strength in depth not only to meet our teaching commitments but also to oversee and administer all the other activities of the College. Given the challenges of the pandemic, this greater resilience is welcomed.

However, as highlighted in the 2018-19 review, a significant amount of teaching within the College is supplied by stipendiary lecturers, who do not hold either a fellowship or a joint appointment with the University. These are usually part-time and often temporary positions, and many are occupied by early career researchers at the beginning of their academic trajectories, although their contracts with the College do not include a research element. We had already made efforts to integrate this cohort more fully in 2018-19; one additional measure introduced in 2019-20 was to create a research allowance for all stipendiary lecturers to use to support their research careers (travel to conferences, purchase of equipment or books...).

As mentioned in previous reviews, the College is keen to ensure that all undergraduates perform to the best of their ability, and to this end we appointed a new career development fellow in October 2019 whose remit is to institute a programme of study skills support both through workshops and one-to-one meetings with students, who can either self-refer or be referred by tutors. Dr Catherine Sloan is our new 'Porter Fellow', so-called because she is funded by an alumnus John Porter, and she has already proved a very valuable appointment. One measure of this is that the University's Teaching and Learning Institute has incorporated some of her materials into their own programmes. She was invaluable to students and staff in the migration to online teaching in Trinity Term 2020 as a result of the pandemic.

The Porter Fellow initiative followed on from discussions within College about how undergraduate academic performance might be improved. Although the Norrington Table, which compares undergraduate Finals results by college, is a blunt instrument, and one which misses the 'value-added' component of college teaching, it does at least focus minds. Hertford's ranking rose from 27th in 2017-18 to 17th in 2018-19. Because of the pandemic there is no official ranking in 2019-20; however, it is pleasing to report that this summer's results have been our best for many years, possibly ever, with over fifty per cent of finalists achieving firsts, and a significant number receiving University prizes for their performance.

The pandemic obviously affected all aspects of the College's academic provision. Most undergraduate students were sent home in March, and all teaching in Trinity Term was conducted online. This was undoubtedly challenging, but some of the initiatives undertaken in recent years – such as the termly tutors' meeting, the Porter Fellow, lecturers' allowances, the academic enrichment fund (which could be diverted to the purchase of IT equipment) – made that process easier than it might have been. The College's librarian Alice Roques was particularly active finding online resources and helping students in other ways to find the material they needed to carry on studying from home. We want to acknowledge her contribution in particular.

We have continued to run an extensive outreach programme, engaging primarily with schools and students in our link regions of Camden, Essex (including Southend-on-Sea and Thurrock) and Medway.

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As part of the University's new inter-collegiate consortia model, we have taken on an additional link region – Peterborough – to support our partners in the 'Oxford for East England' consortium. Initial contact has been made with several teachers in the area and we look forward to developing these relationships over the coming years.

While regular Taster Days have been disrupted by the pandemic, our digital outreach initiatives have increased exponentially. In its second year, our Unsung Heroes of Science competition remains the University's only video competition for school pupils. In response to global lockdowns, entry this year was expanded to individuals and those living outside of the UK. We received 56 entries, almost twice as many as last year, and the shortlisted videos have been viewed online more than 52,000 times. These videos will join last year's entries to expand our repository of films about lesser-known scientists, often from under-represented backgrounds. As a possible corollary, the majority of prize-winners (selected on merit by Biochemistry Fellow, Professor Alison Woollard) were from BAME backgrounds.

During lockdown we also ran our first sustained-contact outreach programme, following on from a pilot scheme in Camden last year. The four-part programme, named Swiftstream, was delivered digitally to 25 participants from 8 state schools in the Medway local authority, and was designed to support pupils from disadvantaged and under-represented backgrounds in their university applications. 84% of participants had one or more indicators of deprivation based on their postcode, while 40% were from BAME backgrounds. The programme was originally conceived to have a concluding residential element which could not go ahead given pandemic restrictions – we hope to introduce this in future. Following the success of Swiftstream, we ran a Reboot Camp in the last week of the summer holidays. This open access course had over 100 participants who joined online workshops on study skills and higher education. This year's experience has given us the confidence and insights to make better use of digital outreach in the future.

This year our two outreach staff directly organised 58 activities and events with more than 1,400 participants. This represents a decrease from last year but it is worth noting that many in-person visits, both in bound and outbound, usually take place in Trinity Term, when lockdown restrictions were in place. Outside of the College, we continue to support University outreach work, including the UNIQ summer schools and Target Oxbridge, an initiative supporting black applicants to Oxford and Cambridge. This work would not be possible without the engagement of our Student Ambassadors: in 2019-20 we had 107 trained students, representing around 25% of the College's undergraduates. Now an annual tradition, Tanner Prizes were awarded to 6 of the most active Student Ambassadors for their endeavours and commitment. For the first time, we also trained graduate students to deliver taster sessions: the 7 DPhil and Master's students proved an invaluable resource in organising events.

The most powerful demonstration of our access work is admissions. The College received 844 applications in October 2019, of which 651 were direct applications, a 11.1 per cent increase on 2018. The latest University statistical release shows that we continue to be at the forefront of access in many respects – especially state school intake (70 per cent three-year rolling average). We participated in the University's new 'Opportunity Oxford' scheme in its inaugural year. We initially pledged to make three offers under the auspices of the scheme in December 2019, and in the event made five. Three of those students have since taken up their places and will arrive in our 2020 fresher cohort having undertaken a bridging programme over the summer. Following this year's UCAS Confirmation cycle, we will be welcoming the largest ever fresher cohort (133). 85% of the group are UK students, of which 81% are from state schools and 60% from disadvantaged backgrounds (as determined by socio-economic and/or educational information).

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FINANCIAL REVIEW

The Financial Statements for 2019/20 follow the requirements of FRS102.

The income impact of the COVID 19 Pandemic was significant. Despite a modest increase in academic fees, net income from core charitable activities was lower year on year by £835k, primarily due to the majority of students not being in residence for Trinity Term 2020. Planned conference business for Easter and early summer 2020 was not able to proceed, and income for the year therefore lower by £806k (with a net annual loss for the Programmes subsidiary of around £10k). Investment income was down by £237k at £2.87m. These reductions were offset to some degree by a strong performance in Development income (£174k increase to £1.37m), and other income of £462k, of which the majority relates to claims under the Government's Coronavirus Job Retention Scheme. In total, income at £12.7m was down by £1.26m.

Expenditure on core charitable activities was down £1.43m, assisted by a net £1.78m positive movement on pension provisions. Underlying expenditure rose a little over 3%. Expenditure on fundraising, trading and other costs was down around 7.6%, reflecting reduced activity, and combined to produce a total expenditure for the year of £12.63m.

A small net operating income of £69k was thus achieved (2019 net expenditure of £394k), after estimated net negative COVID impacts of circa £1.4m.

This was reduced by a net £6.65m loss on the College's endowment and other investments, reflecting the downturn in market values during the period, to give a year end net expenditure of £6.58m.

Reserves policy

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

The College's free reserves at the year-end amounted to £3.5m, representing retained unrestricted income reserves, excluding an amount of £12.6m for the book value of fixed assets, the reserve against future Pension Deficits required by the implementation of FRS102 (£2.4m), and £500k reserves for the Undergraduate Bursary Fund (which guarantees a minimum of five years' funding for the scheme). The governing body have reviewed the free reserves and are satisfied that the level of free reserves, the current cash flow projections and the availability of external financing facilities would provide an adequate safety net in the event of adverse operating conditions.

Total funds of the College and its subsidiary at the year-end amounted to £79.2m (2018: £85.8m). This includes endowment capital of £60.6m and unspent restricted income funds totalling £4.2m.

The Fellows have assessed the College's ability to continue as a going concern. The Fellows have considered several factors when forming their conclusion as to whether the use of the going concern basis is appropriate when preparing these financial statements, including a review of updated forecasts, and a consideration of key risks - including the impact of Covid 19 - that could impact the College and the latest available management information. Covid 19 has had a significant impact on the College. Both the budget and forecast include additional costs and savings arising from our response to the pandemic and have made prudent assumptions surrounding our income streams. The College has a large endowment and financial performance continues to be monitored regularly. The Fellows have scrutinised the key assumptions within the financial budget and forecast, and are satisfied that the current level of free reserves, available investment and cash balances to adequately meet the Colleges obligations as they fall due. Having regards to the above, the Fellows are satisfied that there are no material uncertainties around the decision to adopt the going concern basis of accounting in preparing these financial statements.

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Risk management

The College has on-going processes which operated throughout the financial year for identifying, evaluating and managing the principal risks and uncertainties faced by the College and its subsidiary in undertaking their activities. When it is not able to address risk issues using internal resources, the College takes advice from experts external to the College with specialist knowledge. Policies and procedures within the College are reviewed by the relevant College Committee, chaired by the Principal. Financial risks are assessed by the Treasury Committee and investment risks are monitored by the Investment Advisory Committee. In addition, the Domestic Bursar and domestic staff heads meet regularly to review health and safety issues. Training courses and other forms of career development are made available to Trustees and 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 reviewed the processes in place for managing risk and the principal identified risks to which the College and its subsidiary are exposed and have concluded that robust systems are in place to manage these risks. The principal risks and uncertainties faced by the College and its subsidiary that have been identified are categorised as follows:

- Governance risks – e.g. inappropriate organisational structure, difficulties recruiting trustees with relevant skills, conflict of interest;
- Operational risks- e.g. service quality and development, contract pricing, employment issues; health and safety issues; fraud and misappropriation;
- Financial risks- e.g. accuracy and timeliness of financial information, adequacy of reserves and cash flow, diversity of income sources, investment management;
- External risks- e.g. public perception and adverse publicity, demographic changes, government policy; and
- Compliance with law and regulation - e.g. breach of trust law, employment law, and regulative requirements of particular activities such as fund-raising and information security.

Strategies for managing the risks identified by the College as described above include, for example:

- Establishing the appropriate committees responsible for formulating recommendations to Governing Body;
- Providing appropriate training to all members of staff and at the induction of new Fellows;
- Ensuring accountability of College Officers to the appropriate committee and for the committees in turn to be accountable to the Governing Body;
- Developing and implementing key policies across the main areas of activity of the College, including, for example, admissions policy, health & safety policy, and information security policy; and
- Ensuring the appropriate insurance policies are in place and reviewed regularly.

The College identifies and regularly and systematically reviews the risks it faces, the potential impact of each risk, the likelihood of recurrence, the severity of impact, and the steps taken to mitigate each particular risk and records this process in its Risk Register, which is regularly reviewed by the Treasury Committee and approved by Governing Body.

In light of the COVID pandemic, the College has developed and operates a COVID Response Framework, based on detailed risk assessment of all operations and activities in the context of COVID transmission and mitigation. This framework is administered by a dedicated COVID group, appointed by

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Governing Body.

Fundraising

During the 2019-20 financial year, Hertford College exceeded its £1m target for cash received for the third consecutive year. In total, £1.371m was received, with a further £1.25m pledged over the next five years. Despite continuing the trend of a steady annual rise in income, our donor numbers decreased this year to 805 (down from 966 in 2018/19). However, the number of donors committing to a regular monthly gift continued to rise, amounting to almost half of our donors this year. The drop in donor numbers is most likely attributable to not having held a telethon during this financial year, the cancellation of the planned 500-mile fundraising bike ride and, of course, the impact of COVID-19.

Major gifts performed well this year, with an increase in people giving £10k and over, and 3 gifts over £100,000 (two legacies and one lifetime gift). Donors supported a range of projects, including capital projects, outreach activity, college history, graduate scholarships, bursaries, research awards and academic prizes, as well as teaching and research in Law, Geography, Computer Science, Physics and Philosophy.

The impact of COVID-19 was significant. From March onwards, all events were either moved online, postponed or in some cases cancelled. We have been unable to meet our donors or alumni in person for the past eight months and had to cancel planned international travel. In total, we held 11 online events, including a lecture by the psychoanalyst Susie Orbach, networking events, a Philosophy reunion and five webinars showcasing our Fellows' research and how this intersects with COVID-19 and other major challenges. Prior to lockdown, we held 10 'in person' events, including a Maths reunion dinner, a panel event co-hosted with the University's Social Sciences Division, gaudies and drinks events for alumni and donors in Oxford and London. Our final major event saw the Bursar give a detailed presentation on college finances to alumni and supporters, which was extremely well received.

In response to lockdown and ongoing social distancing measures, our communications efforts have increased. We instituted a new alumni blog and dramatically grew our social media presence. Our monthly e-bulletins continue to have an open rate of around 45%. Two of our three major print publications are sent to all alumni: the Bridge (featuring news and research by Fellows and alumni) and the Magazine (a record of the previous academic year). This year, we opted for a hybrid Donor Report: a shorter printed publication mailed to all donors complemented by a dedicated website.

Our focus for the year ahead will continue to be on building up support for capital projects, specifically the Library. However we are mindful of the ongoing impact of COVID-19, not only on people's finances but also on what they may be willing to support. As such, we are also taking the opportunity to develop special interest networks and build our legacy programme, both of which will bear fruit in the longer term.

Hertford College is committed to best practice in relation to all fundraising activities. The in-house Development team co-ordinate fundraising activities, and are subject to the scrutiny of the Development Committee and college Governing Body. Hertford College is registered with the Fundraising Regulator. The college has protocols and procedures to ensure that all college fundraising is open, honest and respectful, and that it adheres to legal and fundraising guidelines. Hertford does not engage any professional third parties to carry out fundraising activities on its behalf.

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Investment policy, objectives and performance

The College's Statement of Investment Principles is published on its web site. In summary, the College aims to manage its investments to:

- Generate income to support the College's charitable educational aims,
- Improve the educational experience of current and future generations of students and to pursue excellence in scholarship by means of teaching and research and the provision of the cultural and social context which supports this, and
- Produce the optimal sustainable return given the college's low risk tolerance and to preserve the value of investments against the threat of inflation over the long term.

The investment strategy and performance is monitored by the Investment Advisory Committee which in turn reports to the College's Treasury Committee. At the year end, the value of the College's investments was £86.5m (2018 £94.3m), of which £64.8m represents endowed or restricted funds. The total investment income was c. 3.3% gross.

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.

To meet these objectives the College's investments of its permanent endowed funds are managed on a total return basis, maintaining diversification across a range of asset classes in order to produce an appropriate balance between risk and return. In line with this approach, the College statutes allow the College to invest permanent endowments to maximise the related total return and to make available for expenditure each year an appropriate proportion of the unapplied total return.

The value date for establishing the initial values of the Investment Fund and the Unapplied Total Return was 31st July 2009.

The investment strategy, policy and performance is monitored by the Investment Committee. At the year end, the College's long term investments (permanent endowment only), combining securities and property investments, totalled £61.6m. Direct income earned on these investments amounted to £1.9m, and net value losses were £5.6m.

Under the total return accounting basis, it is the Governing Body's policy to extract as income 3.5% of the value of the relevant investments. However, to smooth and moderate the amounts withdrawn are calculated on the average of the year end values in each of the last five years. Due to fluctuating investment values over the previous five years, the effective amounts withdrawn are currently may vary from the nominal rate. For the year ending July 31st 2020, an amount of £2.15m was withdrawn as income, representing 3.49% of the year end value of the permanent endowment. The College also operates a policy of applying an amount of the UTR to the Investment Fund to preserve its real value. This is set based on the most recent RPI at the balance sheet date. For the year ending July 31st 2020, £528k was transferred, representing 1.1% of the Investment Fund value.

The Governing Body will keep the level of income withdrawn under review to balance the needs and interests of current and future beneficiaries of the College's activities.

The Governing body is satisfied that the overall performance of investment activities for the year has met the objectives set.

FUTURE PLANS

The College has agreed a 10 year plan to develop its buildings and facilities ("the Estates Strategy"). This will encompass significant refurbishment works (e.g. upgrading student

HERTFORD COLLEGE

Report of the Governing Body

Year ended 31 July 2020

accommodation), the expansion of existing facilities (e.g. a new Library), and provision of new facilities (e.g. additional graduate accommodation).

The anticipated expenditure over that horizon is around £75m, to be found from a combination of reserves, fundraising, bond capital, and other finance arrangements.

Several of the projects under this strategy are now underway.

The immediate impact of COVID (on financial resources and restrictions on activities) has been a suspension of all new Estates work for the time being. Essential works, and those in progress, have continued.

STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES

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

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

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

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

The Governing Body is responsible for keeping proper accounting records that are sufficient to show and explain the College's transactions and disclose with reasonable accuracy at any time the financial position of the College and enable 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 25th November 2020 and signed on its behalf by:

Mr J Clark

Bursar

HERTFORD COLLEGE

Report of the Auditors

Year ended 31 July 2019

Independent Auditor's Report to the Members of the Governing Body of Hertford College

Opinion

We have audited the financial statements of Hertford College for the year ended 31 July 2020 which comprise the Group Statement of Financial Activities, the Group and Charity Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 July 2020 and of the group's incoming resources and application of resources, including its income 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

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

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

Other information

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

HERTFORD COLLEGE

Report of the Auditors

Year ended 31 July 2019

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on pages 12 and 13, 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's 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 Act and relevant regulations made or having effect thereunder.

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

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

HERTFORD COLLEGE

Report of the Auditors

Year ended 31 July 2019

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
London

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.

HERTFORD COLLEGE

Statement of Accounting Policies

Year ended 31 July 2019

Statement of Accounting Policies

1. Scope of the financial statements

The financial statements present the Consolidated Statement of Financial Activities (SOFA), the Consolidated and College Balance Sheets and the Consolidated Cash Flow Statement of Cash Flows for the College and its wholly owned subsidiary Hertford Programmes Limited. The subsidiary has been consolidated from the date of its formation being the date from which the College has exercised control through voting rights in the subsidiary. No separate SOFA has been presented for the College alone as currently permitted by the Charity Commission on a concessionary basis for the filing of consolidated financial statements.

Basis of accounting

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

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

Having reviewed the funding facilities available to the College together with the expected ongoing demand for places and the College's future projected cash flows, the Governing Body have a reasonable expectation that the College has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the College's financial viability. Accordingly, they also continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Accounting and Reporting Responsibilities on page 12 and to adopt 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.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the previous Statement of Recommended Practice: Accounting and Reporting by Charities which was effective from 1 April 2005 but which has since been withdrawn.

2. Accounting judgements and estimation uncertainty

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

The Governing Body, in applying the accounting policies, have included an estimate for the College's share of the USS and OSPS pension scheme liabilities, and an estimate of the useful economic life of its buildings. Otherwise no judgements were required that have a significant effect on the amounts recognised in the financial statements.

The College calculates its liability for USS pension deficit based on the current agreed schedule of deficit contributions. Following the 2017 valuation of the scheme, it is expected that there may be significant changes to the contribution schedule in the future. Consultations are ongoing and no formal agreement on future rates has been reached, so the College has concluded that the current schedule of deficit contributions is the correct basis for calculation of the liability as at 31 July 2019.

HERTFORD COLLEGE

Statement of Accounting Policies

Year ended 31 July 2019

3. Income recognition

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

Income from fees, Office for Students support and other charges for services

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

Income from donations, grants and legacies

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

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

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

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

Investment income

Interest on bank balances is accounted for on an accrual basis with interest recognised in the period to which the interest relates.

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

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

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

Total Return accounting principles have been adopted in relation to investments held as part of the permanent endowment.

The carrying value of the trust for investment (the preserved permanent capital) has been taken as the market value of the relevant investments as at 31st July 2009, together with the original gift value of all subsequent endowments received and transfers from the unapplied total return approved by the Governing Body to increase the value of the trust for investment in line with the RPI index. The balance of the investment unapplied total returns are accumulated as a component of the relevant endowment funds with amounts from this being released to income each year at the discretion of the Governing Body.

HERTFORD COLLEGE

Statement of Accounting Policies

Year ended 31 July 2019

4. Expenditure

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

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

All expenditure including support costs and governance costs are allocated or apportioned to the applicable expenditure categories in the Statement of Financial Activities (the SOFA).

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

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

5. Leases

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

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

6. Tangible fixed assets

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

Expenditure on the acquisition or enhancement of land and on the acquisition, construction and enhancement of buildings which is directly attributable to bringing the asset to its working condition for its intended use and amounting to more than £25,000 together with expenditure on equipment costing more than £25,000 is capitalised.

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

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

7. Heritage Assets

The College has chosen to hold heritage assets at cost. The college has a number of assets, including items of art and historic texts that meet the definition of heritage assets under the SORP. The depreciated historic cost of the majority of these items is nil. Items purchased are recognised at cost and items donated to the College are recognised at fair value. The college has taken advantage of the exemption within FRS 102 not to disclose transactions before 1 January 2015 as obtaining fair

HERTFORD COLLEGE

Statement of Accounting Policies

Year ended 31 July 2019

values for these assets would be impracticable and the cost of obtaining such valuations would outweigh the benefits to the users of these financial statements

8. Depreciation

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

- Freehold properties 30 years
- Equipment 5 years

Freehold land is not depreciated. The cost of freehold land associated with the main historic site is not included in the balance sheet but is not material. The cost of maintenance is charged in the Statement of Financial Activities in the period in which it is incurred.

The costs of major renovation projects which increase the service potential of buildings are capitalised and depreciated over applicable periods.

9. Investments

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

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

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

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

10. Other financial instruments

Cash and cash equivalents

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

Debtors and creditors

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

11. Stocks

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

12. Foreign currencies

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

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

HERTFORD COLLEGE

Statement of Accounting Policies

Year ended 31 July 2019

denominated in foreign currencies are translated into pounds sterling at the rates applying at the reporting date.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the exchange rates at the reporting date are recognised in the income and expenditure section of the SOFA.

13. Fund accounting

The total funds of the College and its subsidiary 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 restrictions on the use of that income, in which case it will be accounted for as a restricted fund.

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

14. Pension costs

The College participates in Universities Superannuation Scheme and the University of Oxford Staff Pension Scheme. These schemes are hybrid pension schemes, providing defined benefits based on salaries as well as benefits based on contributions.

The assets of the schemes are each held in a separate trustee-administered fund. Because of the mutual nature of the schemes, 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 schemes as if they were wholly defined contribution schemes 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 agreements for both schemes (the Recovery Plans) that determine how each employer within the schemes will fund the overall scheme deficits. 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.

Hertford College
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	2019 Total £'000
INCOME AND ENDOWMENTS FROM:						
Charitable activities:	1					
Teaching, research and residential		5,701	2	19	5,722	6,557
Other Trading Income	3	2,270	-	-	2,270	3,076
Donations and legacies	2	675	666	30	1,371	1,197
Investments						
Investment income	4	859	107	1,906	2,872	3,109
Total return allocated to income	17	1,868	283	(2,151)	-	-
Other income	5	462	-	-	462	18
Total income		11,835	1,058	(196)	12,697	13,957
EXPENDITURE ON:						
	6					
Charitable activities:						
Teaching, research and residential		8,818	281	2	9,101	10,531
Generating funds:						
Fundraising		525	-	-	525	576
Trading expenditure		2,273	-	-	2,273	2,492
Investment management costs		568	8	152	728	752
Total Expenditure		12,184	289	154	12,627	14,351
Net Income/(Expenditure) before gains		(349)	769	(350)	70	(394)
Net gains/(losses) on investments	12	(630)	(324)	(5,693)	(6,647)	1,745
Net Income/(Expenditure)		(979)	445	(6,043)	(6,577)	1,351
Transfers between funds	17	-	32	(32)	-	-
Other recognised gains/losses						
Gains/(losses) on revaluation of fixed assets		-	-	-	-	-
Actuarial gains/(losses) on defined benefit pension schemes		-	-	-	-	-
Net movement in funds for the year		(979)	477	(6,075)	(6,577)	1,351
Fund balances brought forward	17	15,354	3,779	66,627	85,760	84,409
Funds carried forward at 31 July		14,375	4,256	60,552	79,183	85,760

Hertford College
Consolidated Statement of Financial Activities
For the year ended 31 July 2019

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2019 Total £'000
INCOME AND ENDOWMENTS FROM:				
Charitable activities:				
Teaching, research and residential	6,557	-	-	6,557
Other Trading Income	3,076	-	-	3,076
Donations and legacies	447	750	-	1,197
Investments				-
Investment income	2,747	362	-	3,109
Other income	18	-	-	18
Total income	<u>12,845</u>	<u>1,112</u>	<u>-</u>	<u>13,957</u>
EXPENDITURE ON:				
Charitable activities:				
Teaching, research and residential	10,289	242	-	10,531
Generating funds:				
Fundraising	576	-	-	576
Trading expenditure	2,492	-	-	2,492
Investment management costs	724	28	-	752
Total Expenditure	<u>14,081</u>	<u>270</u>	<u>-</u>	<u>14,351</u>
Net Income/(Expenditure) before gains	<u>(1,236)</u>	<u>842</u>	<u>-</u>	<u>(394)</u>
Net gains/(losses) on investments	(51)	72	1,724	1,745
Net Income/(Expenditure)	<u>(1,287)</u>	<u>914</u>	<u>1,724</u>	<u>1,351</u>
Transfers between funds	(51)	33	18	-
Net movement in funds for the year	<u>(1,338)</u>	<u>947</u>	<u>1,742</u>	<u>1,351</u>
Fund balances brought forward	16,692	2,832	64,885	84,409
Funds carried forward at 31 July	<u>15,354</u>	<u>3,779</u>	<u>66,627</u>	<u>85,760</u>

Hertford College
Consolidated and College Balance Sheets
As at 31 July 2020

	Notes	2020 Group £'000	2019 Group £'000	2020 College £'000	2019 College £'000
FIXED ASSETS					
Tangible assets	10	12,807	10,870	12,641	10,870
Property investments	11	928	928	928	928
Other Investments	12	86,515	94,257	86,515	94,257
Total Fixed Assets		100,250	106,055	100,084	106,055
CURRENT ASSETS					
Stocks		11	30	11	30
Debtors	14	1,097	1,240	1,503	3,036
Cash at bank and in hand		1,508	4,715	1,057	936
Total Current Assets		2,616	5,985	2,571	4,002
LIABILITIES					
Creditors: Amounts falling due within one year	15	(1,253)	(3,515)	(1,031)	(1,532)
NET CURRENT ASSETS/(LIABILITIES)		1,363	2,470	1,540	2,470
TOTAL ASSETS LESS CURRENT LIABILITIES		101,613	108,525	101,624	108,525
CREDITORS: falling due after more than one year	16	(20,000)	(20,000)	(20,000)	(20,000)
NET ASSETS/(LIABILITIES) BEFORE PENSION ASSET OR LIABILITY		81,613	88,525	81,624	88,525
Defined benefit pension scheme liability	21	2,430	2,765	2,430	2,765
TOTAL NET ASSETS/(LIABILITIES)		79,183	85,760	79,194	85,760
FUNDS OF THE COLLEGE					
Endowment funds		60,552	66,627	60,552	66,627
Restricted funds		4,256	3,779	4,256	3,779
Unrestricted funds					
Designated funds		13,307	11,370	13,318	11,370
General funds		3,498	6,749	3,498	6,749
Pension reserve	21	(2,430)	(2,765)	(2,430)	(2,765)
		79,183	85,760	79,194	85,760

The financial statements were approved and authorised for issue by the Governing Body of Hertford College on 25th November 2020

Trustee:

Trustee:

Hertford College
Consolidated Statement of Cash Flows
For the year ended 31 July 2020

	Notes	2020 £'000	2019 £'000
Net cash provided by (used in) operating activities	23	<u>570</u>	<u>(302)</u>
Cash flows from investing activities			
Dividends, interest and rents from investments		2,872	3,109
Purchase of property, plant and equipment		(2,745)	(777)
Proceeds from sale of investments		16,159	2,951
Purchase of investments		(15,064)	(5,761)
Net cash provided by (used in) investing activities		<u>1,222</u>	<u>(478)</u>
Cash flows from financing activities			
Coupon on Private Placement Paid		(504)	(504)
Cash inflows from new borrowing		-	-
Receipt of endowment		30	-
Net cash provided by (used in) financing activities		<u>(474)</u>	<u>(504)</u>
Change in cash and cash equivalents in the reporting period		<u>1,318</u>	<u>(1,284)</u>
Cash and cash equivalents at the beginning of the reporting period		4,715	5,999
Change in cash and cash equivalents in the reporting period		<u>(3,207)</u>	<u>(1,284)</u>
Cash and cash equivalents at the end of the reporting period	24	<u>1,508</u>	<u>4,715</u>

Hertford College
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1 INCOME FROM CHARITABLE ACTIVITIES

	2020	2019
	£'000	£'000
Teaching, Research and Residential		
Unrestricted funds		
Tuition fees - UK and EU students	1,769	1,728
Tuition fees - Overseas students	1,026	939
Other fees	639	738
Other HEFCE support	200	198
Other academic income	101	102
College residential income	1,966	2,852
	<u>5,701</u>	<u>6,557</u>
Restricted funds		
College residential income	2	-
	<u>2</u>	<u>-</u>
Endowed funds		
College residential income	19	-
	<u>19</u>	<u>-</u>
Total Teaching, Research and Residential	<u>5,722</u>	<u>6,557</u>

The above analysis includes £2995k received from Oxford University from publicly accountable funds under the CFF Scheme, net of College fees received directly (2018: £2,865k).

2 DONATIONS AND LEGACIES

	2020	2019
	£'000	£'000
Donations and Legacies		
Unrestricted funds	675	447
Restricted funds	666	750
Endowed funds	30	-
	<u>1,371</u>	<u>1,197</u>

3 INCOME FROM OTHER TRADING ACTIVITIES

	2020	2019
	£'000	£'000
Subsidiary company trading income	2,270	3,073
Other trading income	-	3
	<u>2,270</u>	<u>3,076</u>

Note 13

4 INVESTMENT INCOME

	2020	2019
	£'000	£'000
<i>Unrestricted funds</i>		
Commercial rent	39	11
Equity dividends	214	1,510
Income from fixed interest stocks	589	1,203
Interest on fixed term deposits and cash	10	3
Bank interest	7	20
	<u>859</u>	<u>2,747</u>
<i>Restricted funds</i>		
Equity dividends	74	200
Income from fixed interest stocks	33	162
	<u>107</u>	<u>362</u>
<i>Endowed funds</i>		
Equity dividends	1,304	-
Income from fixed interest stocks	602	-
	<u>1,906</u>	<u>-</u>
Total Investment income	<u>2,872</u>	<u>3,109</u>

5 OTHER INCOME

The Covid-19 pandemic severely impacted the College's spring and summer residential student and conference business. As a result, Hertford College was able to benefit from the government Coronavirus Job Retention Scheme, covering 80% of payroll costs for staff unable to work due to the pandemic. 82 permanent non academic staff were furloughed between March and July 2020, representing 61 % of the College's residential, fundraising and support staff, all of whose salaries were topped up to 100% . CJRS grant income was also received in respect 21 casual staff.

Hertford College
Notes to the financial statements
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6 ANALYSIS OF EXPENDITURE

	2020	2019
	£'000	£'000
Charitable expenditure		
Direct staff costs allocated to:		
Teaching, research and residential	4,312	3,947
Other direct costs allocated to:		
Teaching, research and residential	2,744	3,100
Support and governance costs allocated to:		
Teaching, research and residential	2,045	3,484
Total charitable expenditure	9,101	10,531
Expenditure on raising funds		
Direct staff costs allocated to:		
Fundraising	304	323
Trading expenditure	479	437
Investment management costs		-
Other direct costs allocated to:		
Fundraising	182	217
Trading expenditure	512	688
Investment management costs	-	-
Support and governance costs allocated to:		
Fundraising	39	36
Trading expenditure	1,282	1,367
Investment management costs	728	752
Total expenditure on raising funds	3,527	3,820
Total expenditure	12,628	14,351

As in prior years, the College was liable to be assessed for Contribution under the provisions of Statute XV of the University of Oxford. The Contribution Fund was used to make grants and loans to Colleges on the basis of need. Contributions were calculated annually in accordance with regulations made by the Council of the University of Oxford.

The teaching and research costs include a charge of £38k, (2019 - a charge of £32k).

7 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

	Generating Funds £'000	Teaching and Research £'000	2020 Total £'000
General administration	1,852	1,092	2,944
Human resources	-	57	57
IT	45	396	441
Depreciation	121	688	809
Other finance charges	-	(335)	(335)
Governance costs	32	147	179
	2,050	2,045	4,095
	Generating Funds £'000	Teaching and Research £'000	2019 Total £'000
General administration	1,910	1,068	2,978
Human resources	-	3	3
IT	60	386	446
Depreciation	154	550	704
Other finance charges	-	1,441	1,441
Governance costs	31	36	67
	2,155	3,484	5,639

Finance and administration and IT costs are attributed according to the estimated staff time spent on each activity. Depreciation costs are attributed according to the use made of the underlying assets.

Hertford College
Notes to the financial statements
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	2020	2019
	£'000	£'000
Governance costs comprise:		
Auditor's remuneration - audit services	22	29
Auditor's remuneration - tax advisory services	7	1
Legal and other fees on constitutional matters	150	37
	<u>179</u>	<u>67</u>

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

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

	2020	2019
	£'000	£'000
Unrestricted funds		
Grants to individuals:		
Scholarships, prizes and grants	138	95
Bursaries and hardship awards	104	100
Total unrestricted	<u>242</u>	<u>195</u>
Restricted funds		
Grants to individuals:		
Scholarships, prizes and grants	340	346
Bursaries and hardship awards	108	105
Total restricted	<u>448</u>	<u>451</u>
Total grants and awards	<u>690</u>	<u>646</u>

The above costs are included within the charitable expenditure on Teaching, research and residential.

9 STAFF COSTS

The aggregate staff costs for the year were as follows.

	2020	2019
	£'000	£'000
Salaries and wages	5,633	5,210
Social security costs	372	335
Pension costs:		
Defined benefit schemes	495	2,135
	<u>6,500</u>	<u>7,680</u>

The average number of employees of the College, excluding Trustees, on an average headcount basis was as follows.

	2020	2019
Tuition and research	30	28
College residential	84	78
Fundraising	5	4
Support	39	33
Total	<u>158</u>	<u>143</u>

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The average number of employed College Trustees during the year was as follows.	2020	2019
University Lecturers	24	18
CUF Lecturers	8	8
Other teaching and research	1	8
Other	3	3
Total	36	37

The College also benefits from temporary staff, agency workers and those part-time external tutors who are not on the College payroll.

Redundancy payments are accounted for in the period in which the employee was informed of the decision. Where redundancy costs are uncertain, the figure in the accounts represents a best estimate. These costs will be met through unrestricted funds. Redundancy costs totalled £14k in 2019/20 (£7k in 2018/19). All redundancy costs were paid within the financial year.

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

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

	2020	2019
£60,001-£70,000	4	-
£70,001-£80,001	-	1

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

In defined benefits schemes	4	1
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The College contributions to defined contribution pension schemes totalled

495	2,135
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10 TANGIBLE FIXED ASSETS

Group	Freehold land and buildings £'000	Plant and machinery £'000	Total £'000
Cost			
At start of year	22,725	315	23,040
Additions	2,739	6	2,745
At end of year	25,464	321	25,785
Depreciation and impairment			
At start of year	11,952	218	12,170
Depreciation charge for the year	744	64	808
At end of year	12,696	282	12,978
Net book value			
At end of year	12,768	39	12,807
At start of year	10,773	97	10,870

At 31st July 2020, £2.9m of the Net Book Value of Fixed Assets represented assets under construction (2019: £1.5m).

Hertford College
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College	Freehold land and buildings £'000	Plant and machinery £'000	Total £'000
Cost			
At start of year	22,725	315	23,040
Additions	2,572	6	2,578
At end of year	25,297	321	25,618
Depreciation and impairment			
At start of year	11,952	218	12,170
Charge for the year	743	64	807
At end of year	12,695	282	12,977
Net book value			
At end of year	12,602	39	12,641
At start of year	10,773	97	10,870

The College has substantial long-held historic assets all of which are used in the course of the College's teaching and research activities. These comprise listed buildings on the College site, together with their contents comprising works of art, ancient books and manuscripts and other treasured artefacts. Because of their age and, in many cases, unique nature, reliable historical cost information is not available for these assets and could not be obtained except at disproportionate expense. However, in the opinion of the Trustees the depreciated historical cost of these assets is now immaterial.

11 PROPERTY INVESTMENTS

Group	Other £'000	2020 Total £'000	2019 Total £'000
Valuation at start of year	928	928	883
Additions and improvements at cost	-	-	45
Valuation at end of year	928	928	928
College	Other £'000	2020 Total £'000	2019 Total £'000
Valuation at start of year	928	928	883
Additions and improvements at cost	-	-	45
Valuation at end of year	928	928	928

12 SECURITIES AND OTHER INVESTMENTS

All investments are held at fair value.

	2020 £'000	2019 £'000
Group investments		
Valuation at start of year	94,257	89,747
New money invested	-	-
Amounts withdrawn	(3,800)	-
Reinvested income	2,886	2,966
Investment management fees	(181)	(201)
(Decrease)/increase in value of investments	(6,647)	1,745
Group investments at end of year	86,515	94,257
Investment in subsidiaries	-	-
College investments at end of year	86,515	94,257

Hertford College
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Group investments comprise:	Held in the UK £'000	2020 Total £'000	Held in the UK £'000	2019 Total £'000
Equity investments	707	707	966	966
Global multi-asset funds	50,616	50,616	48,382	48,382
Property funds	4,187	4,187	4,688	4,688
Fixed interest stocks	12,139	12,139	31,978	31,978
Alternative and other investments (OUEM)	15,473	15,473	5,625	5,625
Fixed term deposits and cash	3,393	3,393	2,618	2,618
Total group investments	86,515	86,515	94,257	94,257

13 PARENT AND SUBSIDIARY UNDERTAKINGS

Hertford College Programmes (Company Registration Number 7247311), a company limited by guarantee, is a wholly owned subsidiary of the college. It commenced trading on 1st August 2010 and provides English Language programmes and other similar programmes on the College premises.

Hertford College Design and Build Limited (Company Registration Number 12517047), a company limited by guarantee, is a wholly owned subsidiary of the College. It commenced trading on 13th March 2020 and its activities comprise designing, commissioning and constructing new estates facilities for the College.

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

	2020 Hertford College Design and Build £'000	2020 Hertford College Programmes Limited £'000	2019 Hertford College Programmes £'000
Income	-	2,270	3,073
Expenditure	(167)	(2,280)	(2,503)
Donation to College under gift aid	-	-	(570)
Result for the year	(167)	(10)	-
Total assets	326	151	3,826
Total liabilities	(493)	(151)	(3,826)
Net funds at the end of year	(167)	-	-

During the year a new Subsidiary - Hertford College Design and Build - was formed, wholly owned by the College, to undertake building developments on behalf of the College. At the end of the year HCDAB had just started to trade; a balance of £300k was owed to the College by HCDAB.

Also, during the year, a Gift Aided management charge of £570k (2019: £878k) was paid by Hertford College Programmes to the College. At the year end, a balance of £122k was owed by Hertford College Programmes to Hertford College (2019: £1,844k was owed by Hertford College Programmes to Hertford College).

14 DEBTORS

	2020 Group £'000	2019 Group £'000	2020 College £'000	2019 College £'000
Amounts falling due within one year:				
Trade debtors	82	117	82	67
Amounts owed by College members	129	114	129	115
Amounts owed by Group undertakings	-	-	432	1,844
Loans repayable within one year	16	27	16	27
Prepayments and accrued income	870	982	844	983
	1,097	1,240	1,503	3,036

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15 CREDITORS: falling due within one year

	2020	2019	2020	2019
	Group	Group	College	College
	£'000	£'000	£'000	£'000
Trade creditors	493	388	334	386
Amounts owed to College Members	11	1	11	1
Taxation and social security	121	157	121	157
College contribution	-	32	-	32
Accruals and deferred income	82	2,275	32	298
Other creditors	546	662	533	658
	1,253	3,515	1,031	1,532

Accruals and deferred income include £0k (2018/19: £1,958k) relating to Conferences and other International Programmes where delivery of the Programmes will take place in the following Financial Year. All of the balance brought forward from 2018/19 was released during 2019/29.

16 CREDITORS: falling due after more than one year

	2020	2019	2020	2019
	Group	Group	College	College
	£'000	£'000	£'000	£'000
Other creditors	20,000	20,000	20,000	20,000
	20,000	20,000	20,000	20,000

Creditors fall due after more than one year comprise a single bond, entered into in 2017/18, which has a fixed term of 30 years of which 29 remain, with a fixed coupon of 2.52%. The funds will be used to support the College's Estates Strategy, where significant investment is envisaged over the next few years. A portion of the proceeds has been designated for long-term investment to cover eventual repayment of the capital.

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17 ANALYSIS OF MOVEMENTS ON FUNDS

	At 1 August 2019 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Total Return £'000	Gains/ (losses) £'000	At 31 July 2020 £'000
Endowment Funds - Permanent							
College Endowment Fund	57,345	1,655	(134)	-	(1,868)	(4,902)	52,096
Drapers Fellowship Fund (Previously "Drapers Fund")	614	18	(1)	-	(20)	(52)	559
Mortimer May	991	29	(2)	-	(33)	(85)	900
E. M. Vaughan-Williams Trust	614	18	(1)	-	(20)	(52)	559
Michael Baring Travel Fund	92	3	-	-	(3)	(8)	84
Roger Van Noorden Economics Fund	614	18	(1)	-	(20)	(52)	559
Ellis-Barnard History Fellowship	1,549	45	(4)	-	(51)	(132)	1,407
Other Scholarship Funds	167	5	-	-	(23)	(14)	135
Student Support	739	21	(2)	-	(25)	(63)	670
Fellowship Fund	2,086	60	(5)	-	(68)	(178)	1,895
Drapers Scholarship Fund	614	48	(1)	-	(20)	(52)	589
Endowment Funds - Expendable							
Carreras Fellowship	596	17	(1)	(16)	-	(51)	545
Starun Fund	228	7	(1)	(6)	-	(20)	208
Armstrong-Macintyre-Markham	351	1	-	(1)	-	(2)	349
Law Student Support (Previously "BCL") Fund	27	10	(1)	(9)	-	(30)	(3)
Total Endowment Funds - College	66,627	1,955	(154)	(32)	(2,151)	(5,693)	60,552
Restricted Funds							
Undergraduate Bursaries	-	23	-	-	-	-	23
Carreras Fellowship	-	-	(5)	16	-	-	11
Drapers Fellowship	-	-	-	-	20	-	20
Drapers Scholarship	-	-	(16)	-	20	-	4
Mortimer May	262	8	(67)	-	33	(22)	214
E. M. Vaughan-Williams Trust	142	4	(20)	-	20	(12)	134
Janeway Restricted Fund	8	50	(31)	-	-	(1)	26
Unspent income of other Funds above	283	16	(50)	16	97	(24)	338
Other Funds	1,692	634	(97)	-	25	(146)	2,108
Matched Library	760	22	(2)	-	-	(65)	715
General Fellowships	632	18	(1)	-	68	(54)	663
Total Restricted Funds - College	3,779	775	(289)	32	283	(324)	4,256
Unrestricted Funds							
General	6,749	9,967	(12,184)	(2,272)	1,868	(630)	3,498
Fixed asset designated	10,870	-	-	1,937	-	-	12,807
Undergraduate Bursaries	500	-	-	-	-	-	500
Pension Reserve	(2,765)	-	-	335	-	-	(2,430)
Total Unrestricted Funds - College	15,354	9,967	(12,184)	-	1,868	(630)	14,375
Total Unrestricted Funds - Group	15,354	9,967	(12,184)	-	1,868	(630)	14,375
Total Funds	85,760	12,697	(12,627)	-	-	(6,647)	79,183

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	At 1 August 2018 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2019 £'000
Endowment Funds - Permanent						
College Endowment Fund	48,462	-	-	7,595	1,288	57,345
Carreras Endowment	1,680	-	-	(1,725)	45	-
Carreras General	3,927	-	-	(4,031)	104	-
Baring Trust Fund	2,139	-	-	(2,196)	57	-
Drapers Fellowship Fund (Previously "Drapers Fund")	1,196	-	-	(614)	32	614
Mortimer May	965	-	-	-	26	991
E. M. Vaughan-Williams Trust	598	-	-	-	16	614
Five Fellowship	576	-	-	(591)	15	-
Michael Baring Travel Fund	90	-	-	-	2	92
Roger Van Noorden Economics Fund	598	-	-	-	16	614
Ellis-Barnard History Fellowship	1,509	-	-	-	40	1,549
Other Scholarship Funds	1,050	-	-	(911)	28	167
Student Support	718	-	-	-	21	739
Other Funds	198	-	-	(203)	5	-
Fellowship Fund				2,086	-	2,086
Drapers Scholarship Fund				614	-	614
Endowment Funds - Expendable						
Carreras Fellowship	583	-	-	-	13	596
Starun Fund	222	-	-	-	6	228
Japan Appeal	6	-	-	(6)	-	-
Armstrong-Macintyre-Markham	342	-	-	-	9	351
Law Student Support (Previously "BCL") Fund	26	-	-	-	1	27
						-
Total Endowment Funds - College	64,885	-	-	18	1,724	66,627
Restricted Funds						
Undergraduate Bursaries	-	20	-	(20)	-	-
<i>Unspent income funds</i>	-	-	-	-	-	-
Carreras Endowment	5	54	(4)	(55)	-	-
Carreras Fellowship	181	24	(17)	(193)	5	-
Drapers	139	73	(3)	(213)	4	-
Mortimer May	272	39	(56)	-	7	262
E. M. Vaughan-Williams Trust	129	23	(13)	-	3	142
Janeway Restricted Fund	16	1	(9)	-	-	8
Unspent income of other Funds above	369	123	(43)	(175)	9	283
Other Funds	1,003	732	(123)	57	23	1,692
Matched Library	718	23	(2)	-	21	760
General Fellowships	-	-	-	632	-	632
Total Restricted Funds - College	2,832	1,112	(270)	33	72	3,779
Unrestricted Funds						
General	6,710	12,845	(13,959)	1,204	(51)	6,749
Fixed asset designated	10,797	-	-	73	-	10,870
Graduate Scholarship	7	-	(23)	16	-	-
Undergraduate Bursaries	500	-	(99)	99	-	500
Pension Reserve	(1,322)	-	-	(1,443)	-	(2,765)
Total Unrestricted Funds - College	16,692	12,845	(14,081)	(51)	(51)	15,354
Total Unrestricted Funds - Group	16,692	12,845	(14,081)	(51)	(51)	15,354
Total Funds	84,409	13,957	(14,351)	-	1,745	85,760

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Transfers between funds :-

<i>Carreras Endowment/Carreras General</i>	50% of the income (net of investment expenses) of the Carreras Endowment Fund is transferred to the Carreras General Fund whose income is used for the general purposes of the College.
<i>Undergraduate Bursaries/General Fund</i>	Governing Body has designated funds so that together with the restricted Bursary Fund, there are reserves equivalent to the anticipated costs of the next five years of the Bursary scheme which the College started in October 2011.
<i>Infrastructure Modernisation/General Fund</i>	Governing Body has decided to transfer the Infrastructure Modernisation Fund to the General Fund pending the creation of a long-term Estates Plan.
<i>Other transfers between funds</i>	During the year the College agreed with the Charities Commission that a number of the endowment funds could be merged and/or redefined to reflect current application. Net funds remain the same.

Endowment Funds (continued)

	Unapplied total return £000	Permanent capital £000	Total endowment £000
Balance at 1 August 2019	16,133	49,292	65,425
Income and gains			
Investment income	1,918	-	1,918
Investment gains	(5,591)	-	(5,591)
Total income and gains	(3,673)	0	(3,673)
Application of total return	(2,151)	-	(2,151)
Fees and transfers			
Investment management fees	(151)	-	(151)
RPI adjustment	(529)	529	-
Total fees and transfers	(680)	529	(151)
Net movement in year	(6,504)	529	(5,975)
Balance at 31st July 2020	9,629	49,821	59,450

The Trustees have adopted a duly authorised policy of total return accounting for the College investment returns with effect from 1 August 2019. The investment return to be applied as [income is calculated as 3.5% of the average of the year-end values of the relevant investments in each of the last 5 years (or the period since the original donation, if that is less than five years). The preserved (frozen) value of the invested endowment capital represents its open market value at 31st July 2009 together with all subsequent endowments valued at date of gift.

Endowment funds (continued)

	Trust for Investment 2019 £000	Unapplied total return 2019 £000	RPI inflation 2020 £000	Income and gains £000	Application of total return 2020 £000	Total endowment 2020 £000	Unapplied total return 2019 £000
Funds							
Mortimer May	736	253	(8)	(58)	(33)	898	154
Drapers Fellowship Fund	461	153	(5)	(36)	(20)	558	92
E. M. Vaughan-Williams Trust	457	157	(5)	(36)	(20)	558	96
Michael Baring Travel Fund	68	24	(1)	(5)	(3)	84	15
Roger Van Noorden Economics Fund	519	93	(6)	(36)	(20)	556	31
Ellis-Barnard History Fellowship	1,301	247	(14)	(91)	(51)	1,406	91
Fellowship Fund	1,558	528	(17)	(123)	(68)	1,895	320
Matched Student Support	739	1	(1)	(44)	(25)	671	(69)
Drapers Scholarship Fund	614	0	0	(6)	(20)	588	(26)
College Endowment Fund	42,687	14,661	(470)	(3,379)	(1,868)	52,101	8,944
Scholarship Augumentation Fund	152	16	(2)	(10)	(23)	135	(19)
Funds total	49,292	16,133	(529)	(3,824)	(2,151)	59,450	9,629

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18 FUNDS OF THE COLLEGE DETAILS

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

Endowment Funds - Permanent:

College Endowment Fund	Funds received from the University, in the 1960s, to establish a permanent endowment plus subsequent legacies and donations for endowment purposes.
Carreras Endowment	A gift from Carreras International whose income is split between the Carreras General and Fellowship Funds
Carreras General	Income from Carreras Endowment Fund is reinvested and the income generated is used for the general purposes of the College
Baring Trust Fund	Dates back to the re-foundation of the College in the 19th century. Income used for scholarships / general purposes.
Drapers Fellowship Fund (Previously "Drapers Fund")	A gift from The Drapers' Company for Scholarships and in support of a Fellow.
Mortimer May	A gift from Bruce and Julia May in memory of their son Mortimer to support a student in "Geography or a related subject".
E. M. Vaughan-Williams Trust	A gift from Miles Vaughan-Williams to support Medical Students.
Five Fellowship	A gift in 1874 of which £1500 p.a. is to support Fellowships and the balance for general purposes.
Michael Baring Travel Fund	Gifts since 2001 in memory of Michael Baring to assist History Students with their research expenses.
Roger Van Noorden Economics Fund	Gifts since 2007 for the Economics Fund, which was renamed in 2010 in memory of Roger Van Noorden, in support of a Fellow in Economics.
Ellis-Barnard History Fellowship	Established in 2011 to fund the teaching of History.
Other Scholarship Funds	Comprise the Lucy,Lusby,McBride,Meeke, Scholarship Augumentation and War Memorial Funds which represent gifts, received between 1665 and 1919, to support scholars with surplus for general purposes.
Student Support	A permanent endowment for graduate and undergraduate student support initiatives or scholarships.
Other Funds	Comprise the Boyd Memorial,White,Brunsell and Old Hertford College Funds which are for Student Loans/Chapel/Library and general purposes.
Fellowship Fund	Combined Historic Funds.
Drapers Scholarship Fund	Combined Historic Funds.

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Endowment Funds - Expendable:	
Carreras Fellowship	Income from Carreras Endowment Fund to support Fellowship and Scholars.
Starun Fund	Gifts from Mr L. Starun 1974-78 for research into Polish History, Language or Literature
Japan Appeal	Gifts in 1991/2 from Tokyo Electric Power and the Kajima Fund to support a Fellowship in Japanese and academic visits to/from Japan.
Armstrong-Macintyre-Markham History Fellowship	Gifts in the 1990s in memory of Angus Macintyre, Felix Markham and John Armstrong to support teaching and research by a History Fellow
BCL Fund	Gifts since 2007, some in memory of Roy Stuart to support Law students particularly those on the B.C.L. course.
Restricted Funds	
Bursaries Fund	Gifts since 2009 to support the Undergraduate Bursary Scheme which commenced in October 2011
Unspent income	Unspent income from the following funds named above:- Mortimer May, Drapers, Carreras Fellowship, E.M. Vaughan-Williams, Starun, Baring Travel, and the BCL funds.
Other Funds	Comprise the Tanner/Thorne, G. Robinson, John Stubble, Geography Prize, Music and student hardship Funds.
Janeway Restricted Fund	This Fund was established by donation to support the teaching of Philosophy and Computing.
Matched Library	An expendable endowment for the redevelopment or renovation of the library.
General Fellowships	Combined Historic Funds. Philosophy and Computing.
Designated Funds	
Fixed asset designated	Unrestricted Funds which are represented by the fixed assets of the College and therefore not available for expenditure on the College's general purposes
Graduate Scholarship	Unrestricted Funds allocated by the Fellows for future costs of providing enhanced scholarships.
History Teaching	Unrestricted Funds allocated by the Fellows for future costs of funding a titular post. The fund has been removed as the post is now fully funded.
Bursaries Fund	Unrestricted Funds allocated by the Fellows for future costs of the Undergraduate Bursary Scheme which commenced in October 2011.
General Unrestricted Funds	Represent accumulated income from the College's activities and other sources that are available for the general purposes of the College.
Pension Reserve	This Fund sets aside funds for the Deferred Benefit Pension Scheme Liability as required by FRS 102.

The Trustees have adopted a duly authorised policy of total return accounting for the College investment returns with effect from 1 August 2019. The investment return to be applied as income is calculated as 3.5% of the average of the year-end values of the relevant investments in each of the last 5 years (or whole years since the date of donation, where donations have been received within 5 years of the end of the year in question). The preserved (frozen) value of the invested endowment capital represents its open market value in 2009 together with all subsequent endowments valued at date of gift, inflated annually in line with RPI.

19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2020 Total £'000
Tangible fixed assets	12,807	-	-	12,807
Property investments	928	-	-	928
Other investments	21,707	4,256	60,552	86,515
Net current assets	1,363	-	-	1,363
Long term liabilities	(20,000)	-	-	(20,000)
Pension Scheme Liability	(2,430)	-	-	(2,430)
	<u>14,375</u>	<u>4,256</u>	<u>60,552</u>	<u>79,183</u>
	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2019 Total £'000
Tangible fixed assets	10,870	-	-	10,870
Property investments	928	-	-	928
Other investments	23,851	3,779	66,627	94,257
Net current assets	2,470	-	-	2,470
Long term liabilities	20,000	-	-	20,000
Pension Scheme Liability	(2,765)	-	-	(2,765)
	<u>55,354</u>	<u>3,779</u>	<u>66,627</u>	<u>125,760</u>

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20 TRUSTEES' REMUNERATION

The trustees of the college comprise the governing body, primarily fellows who are teaching and research employees of the college and who sit on governing body by virtue of their employment.

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. Where possible, these salaries are paid on external scales and often are joint arrangements with the University of Oxford.

The college has a Remuneration Committee which consists of four persons who are not in receipt of remuneration from the college of whom three are not members of Governing Body. The Committee makes recommendations to Governing Body on Fellows allowances and College Officer stipends.

Trustees of the college fall into the following categories:

Principal and Official Fellows, Professorial Fellows, Supernumerary Fellows, Senior Research Fellows and Junior Research Fellows.

The Principal and Official Fellows are the Head of House, Bursar and Development Director who work full time on management and fundraising.

Some trustees are eligible for college housing schemes. 33 trustees receive a housing allowance which which is disclosed within the salary figures below. 4 trustees lives in a house owned jointly with the college. One such house was bought during the year, and none were sold.

Some trustees receive allowances for additional work carried out as part time college officers. For example, the Senior Tutor, Dean, Tutor for Admissions, Tutor for Graduates and the Investment Bursar. These amounts are included within the remuneration figures below.

The total remuneration and taxable benefits as shown below is £1,391,346 (2018-19 £1,366,993).

The total of pension contributions is £202,234 (2018-19 £177,286).

Remuneration paid to trustees

Range	2020		2019	
	Number of trustees	Gross remuneration, taxable benefits and pension contributions £	Number of trustees	Gross remuneration, taxable benefits and pension contributions £
£1,001-£2,000	1	868	-	-
£2,001-£3,000	1	1,896	-	-
£3,001-£4,000	1	3,240	-	-
£7,001-£8,000	1	7,139	-	-
£8,001-£9,000	-	-	1	8,384
£11,001-£12,000	3	34,856	1	11,867
£12,001-£13,000	-	-	2	24,270
£13,001-£14,000	-	-	1	13,887
£16,001-£17,000	1	16,207	-	-
£18,001-£19,000	1	18,790	-	-
£20,001-£21,000	-	-	1	20,809
£21,001-£22,000	-	-	2	42,858
£22,001-£23,000	2	44,694	2	45,007
£23,001-£24,000	-	-	11	258,444
£24,001 -£25,000	14	342,040	2	48,553
£25,001 -£26,000	2	51,145	1	25,978
£26,001-£27,000	-	-	1	26,474
£28,001-£29,000	1	28,342	1	28,250
£29,001 -£30,000	1	29,439	-	-
£31,001-£32,000	1	31,535	-	-
£32,001-£33,000	-	-	1	32,954
£33,001-£34,000	-	-	1	33,063
£34,001-£35,000	1	34,214	-	-
£36,001-£37,000	2	73,337	-	-
£41,001-£42,000	-	-	1	41,521
£46,001-£47,000	-	-	1	46,351
£49,001-£50,000	-	-	1	49,005
£50,001-£51,000	1	50,875	-	-
£51,001-£52,000	1	51,557	-	-
£52,001-£53,000	-	-	1	52,887
£54,001-£55,000	1	54,939	2	109,096
£56,001-£57,000	2	112,493	-	-
£59,001-£60,000	1	59,313	-	-
£63,001-£64,000	1	63,043	1	63,014
£71,001-£72,000	1	71,730	1	71,624
£97,001-£98,000	-	-	1	97,384
£99,001-£100,000	1	99,143	-	-
£106,001-£107,000	-	-	1	106,692
£110,001-£111,000	1	110,511	1	108,561
	43	1,391,346	39	1,366,933

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2 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.

Trustee expenses

No Fellow claimed any expenses for work as a Trustee (2018/19: £0).
 See also note 28 Related Party Transactions

Key management remuneration

The total remuneration paid to key management was £252k (2019: £268k).
 Key management are considered to be the Deputy Bursar, the Domestic Bursar and the Registrar and Director of Admissions.

21 PENSION SCHEMES

The College participates in the Universities Superannuation Scheme ('USS') and the University of Oxford Staff Pension Scheme ('OSPS') on behalf of its fellows and staff.

As explained in the accounting policies, due to insufficient information being available to enable the College to use defined benefit accounting for the USS and OSPS, in accordance with the provisions of FRS 102 both schemes are accounted for as if they were defined contribution schemes.

Both schemes have put in place agreements for additional contributions to fund their past service deficits and the College has recognised a liability for the present value of the future contributions that it estimates will be payable as a result of these deficit funding agreements as explained below and reported in note 9.

Universities Superannuation Scheme ('USS')

The USS comprises two parts, USS Retirement Income Builder which is a defined benefit arrangement and USS Investment Builder which is a defined contribution arrangement. However, as explained above, both parts are accounted for as if they were defined contribution arrangements.

The pension charge for the year in the Statement of Financial Activities includes a credit of £95k (2019 - a charge of £1,525k) in relation to the USS. This represents normal contributions of £458k (2019- £359k) payable to the USS together with the change in the deficit funding liability between the opening and closing balance sheet dates of £(553k) (2019 - £1,166k).

Following the triennial actuarial valuation of the USS defined benefit liabilities carried out as at 31 March 2017, an additional valuation was prepared as at 31 March 2018 and published on 16 September 2019. This valuation showed a shortfall of £3.6bn in the USS with the scheme assets at £63.7bn being sufficient to cover 95% of its 'technical provisions' liabilities £67.3bn.

Based on these valuations the actuary determined that the USS funding rates should increase as follows:

	<i>Employer</i>	<i>Employee</i>	<i>Total</i>
<i>Prior to 31 March 2019</i>	<i>18.0%</i>	<i>8.0%</i>	<i>26.0%</i>
<i>1 April 2019 to 30 September 2019</i>	<i>19.5%</i>	<i>8.8%</i>	<i>28.3%</i>
<i>1 October 2019 to 30 September 2021</i>	<i>21.1%</i>	<i>9.6%</i>	<i>30.7%</i>

A new deficit recovery plan was also agreed following the 2018 valuation and the contributions above include deficit funding payments of 2% of salaries from 1 October 2019 to 30 September 2021.

A further increase in the contribution rate to 34.7% from 1 October 2021 (employer 23.7%, employee 11%), including deficit funding payments of 6% of salaries, was also agreed although this will be subject to review following the 2020 actuarial valuation which is currently in progress.

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 2020 the College's provision for the USS deficit funding liability was £1,125 (2019 – £1,678).

An interim actuarial report as at 31 March 2019 commissioned by the USS trustees showed an increased shortfall of £5.4bn in the USS with the scheme assets being sufficient to cover 93% of its 'technical provisions' liabilities. However, this report recognises that these figures are not as accurate as those that would arise from a full actuarial valuation and this report has not impacted on the current contribution rates. The next full actuarial valuation for the USS is being prepared as at 31 March 2020 and it is expected that the initial recommendations on overall future contribution rates will be notified to the Joint Negotiating Committee in December 2020.

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

Oxford Staff Pension Scheme "OSPS"

The pension charge for the year includes £590k (2019 - £610k) in relation to the OSPS. This represents contributions of £372k (2019 - £335k) payable to the OSPS as adjusted by the change in the deficit funding liability between the opening and closing balance sheet dates of £218k (2019 - £275k).

The latest formal actuarial valuation of OSPS was carried out as at 31 March 2019 and was published in June 2020. This valuation showed the scheme assets as £735.3m, sufficient to cover 87% of its liabilities of £848.1m on a technical provisions basis with an overall shortfall of £112.8m.

Based on this valuation the trustee and University have agreed a recovery plan under which the employers will continue to pay contributions to the OSPS of 19% of pensionable salaries of both defined benefits members and defined contributions members who join on or after 1 October 2017. Part of the contributions for defined contribution members is paid to the defined benefit section to cover the deficit recovery plan, the provision of ill-health and death-in service benefits and the expenses of administering the defined contribution section. In addition, the employers will continue to reimburse the scheme in respect of Pension Protection Fund (PPF) and other levies collected by the Pensions Regulator. These contributions, together with an allowance for the Scheme's assets to return 2.5% per annum above gilt yields, are expected to eliminate the technical provision deficit by 31 January 2028.

A provision of £1,305k has been included in the financial statements as at 31 July 2020 (2019 - £1,087k) for the present value of the estimated future deficit funding element of the contributions payable under this recovery plan agreement. In determining the level of this provision it has been assumed that the College will continue to have a constant level of employee participation in this scheme and that the relevant earnings of these employees will increase in line with the actuary's projected long-term salary rate increases.

A copy of the full actuarial valuation report and other further details on the scheme are available on the University of Oxford website.

22 TAXATION

The College is able to take advantage of the tax exemptions available to charities from taxation in respect of income and capital gains received to the extent that such income and gains are applied to exclusively charitable purposes.

No liability to corporation tax arises in the College's subsidiary 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.

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

	2020	2019
	Group	Group
	£'000	£'000
Net income	(6,577)	1,351
Elimination of non-operating cash flows:		
Investment income	(2,872)	(3,109)
Losses/(Gains) in investments	6,647	(1,745)
Endowment donations	(30)	-
Depreciation	809	704
Decrease in stock	19	5
Decrease in debtors	143	70
Increase / (Decrease) in creditors	2,262	475
Increase / (Decrease) in pension scheme liability	(335)	1,443
Coupon on Private Placement paid	504	504
Net cash used in operating activities	570	(302)

24 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2020	2019
	£'000	£'000
Cash at bank and in hand	1,508	4,715
Total cash and cash equivalents	1,508	4,715

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25 FINANCIAL COMMITMENTS

	2020	2019
	£'000	£'000
The totals of future minimum lease payments under non-cancellable operating leases for each of the following periods were:		
Land and buildings		
Not later than one year	318	159
Later than one year and not later than five years	592	320
Later than five years	5	68
	<u>915</u>	<u>547</u>
Other		
Not later than one year	5	20
Later than one year and not later than five years	-	7
	<u>5</u>	<u>27</u>

26 CAPITAL COMMITMENTS

The College had no contracted commitments at 31 July 2020 for future capital projects totalling (2019: £0k)

27 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.

No trustees had loans outstanding from the College at the start and/or end of the year.

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.

	2020	2019
	£'000	£'000
B Frellesvig	14	17
D Dwan	167	173
R Zubek	170	177
G Wright and S Waddell	188	194
	<u>188</u>	<u>194</u>

All joint equity properties are subject to sale on the departure of the trustee from the College. The trustees pay rent to the College on the College owned share of the properties at the assessed current market rate.

28 CONTINGENT LIABILITIES

There are no obligations arising from events occurring before the date of the balance sheet whose existence will be confirmed

29 POST BALANCE SHEET EVENTS

Universities Superannuation Scheme ('USS')

In September 2020, the Trustee of the USS Pension Scheme (USS) launched a consultation with Universities UK on key aspects of the scheme's 2020 valuation. The scope of this exercise covers a wide range of potential outcomes - reflecting issues still to be resolved on employer support as well as uncertainties for the higher education sector and financial markets in general - but, based on the proposals put forward, the Trustees have indicated that the fund's deficit at 31 March 2020 could range from between £9.8bn and £17.9bn. The review is ongoing and the valuation is expected to be concluded in June 2021. The impact on the College's deficit is therefore unknown at the date of approval of these financial statements.