

Hertford College

Annual Report and Financial Statements

Year ended 31st July 2024

Hertford College
Annual Report and Financial Statements for the year ended 31st July 2024

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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 during year or subsequently are detailed below.

Governing Body Fellow	College Office (some overlaps)	(1)	(2)	(3)	(4)
Professor E Baldwin			•		
Professor C D Brewer (retired 30.9.23)					
Professor E Chatzis		•			
Mr J K Clark	Bursar		•	•	•
Professor Z F Cui					
Professor F Duarte	Tutor for Equality & Diversity				
Dr D Dwan	Harassment Advisor	•			•
Mr T Fletcher (Resigned 17.11.24)	Principal	•	•	•	•
Professor B M Frellesvig	Tutor for Graduates	•		•	•
Dr D Gaffney					
Dr A Galanis					
Dr K Greasley				•	
Professor D Greaves					
Professor D M Hopkin					•
Dr J Kiaer	Dean of Degrees				
Professor D Kielak	SCR Steward		•		
Professor A G Lauder	Senior Tutor	•			•
Professor P Ligoxygakis	Student Conduct Officer				
Dr J Lorimer					
Dr K Lunn-Rockliffe	Prevent Lead				
Professor I McBride					
Professor M Maiden					•
Dr L Malafouris					•
Professor A Mikes	Tutor for Equality & Diversity				
Professor P J R Millican		•			
Dr E Mortimer					
Dr A Nair	Harassment Advisor		•		
Dr S J New	Senior Fellow		•		
Dr O J Noble Wood	Dean and SCR Steward	•			•
Professor S Parameswaran	Fellow for Research	•			

Hertford College
Governing Body, Officers and Advisers
Year ended 31st July 2024

Governing Body Fellow	College Office (some overlaps)	(1)	(2)	(3)	(4)
Professor P F Roche (retired 30.9.23)	Investment Bursar		•	•	•
Dr F Romei					•
Dr L Slater				•	
Dr C Sloan	Porter Fellow, Secretary to GB	•			
Professor E Smith	Fellow Librarian, Pro Principal	•		•	
Dr L Speight		•			
Professor G Sternberg			•		
Professor D Thomas (until 01.09.24)					
Professor C Vallance	Senior Tutor	•		•	•
Dr M Vincenzi (appointed 15.7.24)					
Dr M Van der Wilk					
Dr C Veliz	Independent Prevent Monitor				
Dr Vyazovskiy	Dean of Degrees, Dean	•			•
Professor T Wilson (retired 30.9.23)	Senior Fellow				
Professor M Wooldridge				•	
Professor A C S Woollard		•			
Ms F Wheare (left 31.5.24)	Director of Development			•	
Professor R G Zubek					

During the year the activities of the Governing Body were carried out through various committees and Officers. Membership of the main committees is shown above for each Fellow.

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

COLLEGE SENIOR STAFF

The senior staff of the College to whom specific aspects of day to day management were delegated during the course of the year, and who are regarded as Key Management Personnel, was as follows.

College Accountant	<i>Mrs Judi Banks</i>
Domestic Bursar	<i>Mr James Hill</i>
Registrar and Director of Admissions	<i>Ms Megan Roper</i>

COLLEGE ADVISERS

Investment managers

Rathbones Investment Management Ltd
8 Finsbury Circus
London
EC2M 7AZ

Oxford University Endowment Management
27 Park End Street
Oxford OX1 1HU

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

Property Valuers

Allcott Associates
The Fosse
Fosse Way
Redford Semele
Warwickshire CV31 1XN

Taxation Advisers

Davies Mayer Tax Advisers LLP
8 Gainsborough House
Campden Business Park
Chipping Campden
Gloucestershire GL55 6JX

College address

Hertford College, Catte street, Oxford OX1 3BW

Website

www.hertford.ox.ac.uk

HERTFORD COLLEGE

Report of the Governing Body

Year ended 31 July 2024

REPORT OF THE GOVERNING BODY

The Members of the Governing Body present their Annual Report for the year ended 31st July 2024 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 Oxford Living Wage, which is set at a level above the National Living Wage.

The remuneration of Fellows 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.

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:

HERTFORD COLLEGE

Report of the Governing Body

Year ended 31 July 2024

- 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.
- Remuneration Committee: consists of four persons not in receipt of remuneration from the College of which three are not members of Governing Body, with the Principal and the Bursar in attendance. 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. The Bursar attends all meetings of the Governing Body's Committees, except 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 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. 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
- 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, or otherwise support, 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.

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Report of the Governing Body

Year ended 31 July 2024

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. During the year, the College had approximately 418 undergraduates, 287 postgraduates, and 36 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. 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 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 (and the EU in some circumstances) 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 the UK, 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. In 2023/2024 a total of £676k was spent on student support.

- Hertford College undergraduate students benefit from **Bursaries** provided directly by the College and also from bursaries jointly funded with the University. A total of 123 students benefited at a total cost of £212k
- **Graduate funding** is also provided in the form of scholarships and grants. The College awarded a total of £394k in 2023/24 for this purpose.
- The College also 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 2023/24 the College distributed £70k to support students in this way.

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Year ended 31 July 2024

ACADEMIC REVIEW

Hertford welcomed three new tutorial fellows for the 2023-24 academic year: Dr Dylan Gaffney (Tutorial Fellow in Archaeology), Dr Mark Van der Wilk (Tutorial Fellow in Computer Science), and Dr Thomas Morstyn (Tutorial Fellow in Engineering). In July, Dr Maria Vicenzi (Tutorial Fellow in Physics) joined the College in preparation for commencing her teaching duties in the 2024-25 academic year.

During the 2023-24 academic year fourteen new stipendiary lecturers joined us, and we appointed a further five non-stipendiary lecturers. The Fellow for Research coordinated a series of events for Fellows and lecturers to present and discuss their research, fostering interdisciplinary academic discussions within the community. Graduate students were encouraged to participate in these events as well, offering them an opportunity to engage with academic staff from diverse fields of study. The Fellow for Research, with the support of Academic Committee, also designed a new scheme to offer college association for early career researchers, which is due to be piloted in the 2024-25 academic year. It is hoped that these efforts will help to further enrich the academic life of the College.

Following the UCAS Confirmation cycle in August 2023, we welcomed a smaller undergraduate fresher cohort of 107 (plus one returning student resuming first-year study in Hilary term) in October 2023. This was significantly smaller than recent cohorts, as A-level marking had returned to pre-Covid standards, bringing the number of applicants who failed to meet their conditions back into line with pre-Covid averages. A slightly smaller proportion of the cohort – 85% vs 2023's 92% - were UK students, of which 80% were from state schools, which is significantly higher than the University's average.

The College welcomed 115 new postgraduate students for 2023-24, of which 63 were taught master's students and 52 were research students. We supported 24 graduate students with full or partial funding for course fees and/or living stipends, and are continuing to review our graduate scholarship provision for the coming years in line with various funding opportunities and our strategic objectives.

Our outreach work continues to centre around our link regions of Camden, Essex, Southend-on-Sea, Thurrock, Medway, and Peterborough, with a particular focus on engaging schools who have never or rarely been engaged with Hertford or Oxford more generally. In addition to this, the outreach team also carried out some events for local school-age residents in the Barton neighbourhood in Oxford as well as events on behalf of the University, such as representing Oxford at selected UCAS regional fairs. Approximately half of the events run on behalf of Hertford were inbound visits, and the remaining events were split between outbound visits and online programmes. We have continued to offer a monthly Teachers' Bulletin to teachers in our link regions during term-time, and are developing a dedicated programme of events designed to support teachers from our link regions.

We are proud that we met our increased target of seven Opportunity Oxford offers in the 2023 undergraduate admissions round, ensuring our enhanced support for students coming from significantly disadvantaged backgrounds. Our Access Strategy, which was confirmed by Governing Body in Michaelmas 2023, sets out a plan for further enhancements to our access and outreach provision, as well as for supporting students who are on-course and who come from disadvantaged backgrounds, and as part of this we designed a mentoring scheme where our undergraduate students can sign up to be mentored by our graduate students. The scheme is due to be piloted in the 2024-25 academic year.

In September 2023, we welcomed our first full-time Student Welfare Lead, Jane Corrigan. The role was created following the departure of our previous Chaplain, the Revd. Mia Smith, who had previously acted as the College's welfare lead in addition to her duties as Chaplain. In view of the increasing demand on welfare provision, the new Student Welfare Lead is a senior role in college which provides first-line support and signposting to various welfare services for all Hertford students, coordinates welfare provision and initiatives in the College, and works closely with the Dean and Registrar on strategic matters relating to college welfare support.

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Year ended 31 July 2024

FINANCIAL REVIEW

The Financial Statements for 2023/24 follow the requirements of FRS102.

Income from trading (conference and events business) continued to return to pre-COVID levels, more than doubling year on year to £3.2m. This, together with a significant increase in fundraising (up £2.7m), drove an increase of around 35% in total revenues.

Property and financial investment gains made a positive contribution of £8.7m (loss of £243k previous year), as the College's portfolio benefitted from market recoveries.

The improved investment context also saw benefits for the Pension reserve, as the underlying scheme positions went in to surplus. As a result, the Pension Reserve at £2.15m has reduced to zero, returning the value to General funds.

The net result of the above has been a net balance sheet growth of £14.69m to £106.6m.

While these results are welcome, they mask an underlying trend that remains challenging. Increases in the operating costs associated with core academic activities continue to exceed the income from those sources, placing an increasing reliance on trading and fundraising efforts.

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 £10.04m, representing retained unrestricted income reserves, excluding an amount of £14.97m for the book value of fixed assets. 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 subsidiaries at the year-end amounted to £106.632m (2023: £91.9m). This includes endowment capital of £75.25m, designated funds of £0.85m and unspent restricted income funds totalling £6.38m.

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. 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 are adequate to meet the College's 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.

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. The College identifies and regularly 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.

Principal risks are assessed by the Treasury Committee, and more detailed risks by other committees (e.g. Health and Safety Committee), College Officers and Heads of Department. 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

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Report of the Governing Body

Year ended 31 July 2024

risks. The principal risks and uncertainties faced by the College and its subsidiaries include:

- 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:

- Operating structured and formalised processes for the identification, assessment, and management of the response to risk.
- Establishing the appropriate committees to ensure oversight of all key activities, with responsibility 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;
- Ensuring the appropriate insurance policies are in place, and reviewed regularly.

Fundraising

In the 2023-24 financial year, philanthropic income increased beyond the modest 2022-23 post Covid recovery, with £3.9m raised in donations (including legacies). Encouragingly, our donor numbers rose to over 1000, comprising recurring and new supporters. Donations continue to support a range of different projects, with a strong focus this year on the library.

Our usual event programme of gaudies, subject reunions and networking events continued. We continued to see reasonable alumni levels of engagement on social media, and received good feedback on our two publications, the Donor Report and College Magazine.

Hertford College is committed to following best practice in relation to all fundraising activities. The Development Director sits on Governing Body and convenes the termly Development Committee, which provides oversight of all fundraising and alumni relations activity in college. Hertford is registered with the Fundraising Regulator and has protocols and procedures in place to ensure that fundraising is open, honest, and respectful, adhering to legal and industry-specific guidelines. Hertford does not engage any professional third parties to carry out fundraising activities on its behalf.

Hertford is currently recruiting a new Development Director, following the departure of the previous incumbent to a new external role. We have restructured the team to separate fundraising from alumni engagement and communications. We have also appointed a Fellow for Development, to support high

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Report of the Governing Body

Year ended 31 July 2024

level alumni and non-alumni fundraising.

Investment policy, objectives and performance

The College's Statement of Investment Principles sets out the following aims:

- 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 (financial and property) was £125m (2023 £120m), of which £82m represents endowed or restricted funds. The total investment income was c. 3.3% gross (average value).

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 (endowment only), combining securities and property investments, totalled £75.2m. Direct income earned on these investments amounted to £2.6m, and net value gains were £7.01m.

Under the total return accounting basis, it is the Governing Body's policy to extract as income 4.25% 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 may vary from the nominal rate. For the year ending July 31st 2024, an amount of £2.9m was withdrawn as income. 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.

HERTFORD COLLEGE

Report of the Governing Body

Year ended 31 July 2024

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

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

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 the 27th of November 2024 and signed on its behalf by:



Mr J K Clark

Bursar



Professor P Roche

Principal

HERTFORD COLLEGE

Report of the Auditors

Year ended 31 July 2024

Independent Auditor's Report to the Trustees of Hertford College

Opinion

We have audited the financial statements of Hertford College for the year ended 31 July 2024 which comprise the Consolidated Statement of Financial Activities, Consolidated and College Balance Sheets, Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 July 2024 and of the group's income and receipts of endowments and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the

HERTFORD COLLEGE

Report of the Auditors

Year ended 31 July 2024

financial statements but compliance with which might be fundamental to the parent charity's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the parent charity and the group for fraud. The other laws and regulations we considered in this context for the group were General Data Protection Regulations and Health and Safety regulations.

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

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the recognition of income, and the override of controls by management. Our audit procedures to respond to risk of income recognition included selecting a sample of income during the year, agreeing back to the relevant documentation and ensuring it has been recognised correctly. Our audit procedures to respond to the risk of management override included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

Crowe U.K. LLP

Statutory Auditor

London

Date: 28 November 2024

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.

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 subsidiaries Hertford Programmes Limited and Hertford College Design and Build Limited. The subsidiaries have been consolidated from the date of their formation, being the date from which the College has exercised control through voting rights in the subsidiaries. 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 with reference to the latest scheme valuation.

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.

HERTFORD COLLEGE

Statement of Accounting Policies

Year ended 31 July 2024

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. The balance of the investment unapplied total returns is 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.

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).

HERTFORD COLLEGE

Statement of Accounting Policies

Year ended 31 July 2024

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 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 -50 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.

HERTFORD COLLEGE

Statement of Accounting Policies

Year ended 31 July 2024

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

11. Stocks

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

12. Foreign currencies

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

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

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

13. Fund accounting

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

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

HERTFORD COLLEGE

Statement of Accounting Policies

Year ended 31 July 2024

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 the 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.

Where deficit recovery plans have been in place in past years, the College has recognised its share of the deficit plans placed on both schemes.

Hertford College
Consolidated Statement of Financial Activities
For the year ended 31 July 2024

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2024 Total £'000	2023 Total £'000
INCOME AND ENDOWMENTS FROM:						
Charitable activities:	1					
Teaching, research and residential		6,868	-	273	7,141	7,121
Other Trading Income	3	3,242	-	-	3,242	1,484
Donations and legacies	2	392	3,534	-	3,926	1,252
Investments						
Investment income	4	1,538	146	2,291	3,975	3,719
Total return allocated to income	17	2,557	363	(2,920)	-	-
Other income	5	3	-	-	3	1
Total income		14,600	4,043	(356)	18,287	13,577
EXPENDITURE ON:						
	6					
Charitable activities:						
Teaching, research and residential		7,389	1,697	-	9,086	11,276
Generating funds:						
Fundraising		470	-	-	470	566
Trading expenditure		1,499	-	-	1,499	812
Investment management costs		994	8	239	1,241	1,166
Total Expenditure		10,352	1,705	239	12,296	13,820
Net Income/(Expenditure) before gains / (losses)		4,248	2,338	(595)	5,992	(243)
Net gains/(losses) on investments		1,471	250	7,005	8,726	(823)
Net Income/(Expenditure)		5,719	2,588	6,410	14,717	(1,066)
Transfers between funds	17	112	(64)	(48)	0	-
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		5,831	2,524	6,362	14,717	(1,066)
Fund balances brought forward	17	19,175	3,856	68,884	91,915	92,981
Prior year fund adjustment		-	-	-	-	-
Funds carried forward at 31 July		25,006	6,380	75,246	106,632	91,915

Hertford College
Consolidated Statement of Financial Activities
For the year ended 31 July 2023

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2023 Total £'000
INCOME AND ENDOWMENTS FROM:				
Charitable activities:				
Teaching, research and residential	6,901	-	220	7,121
Other Trading Income	1,484	-	-	1,484
Donations and legacies	435	817	-	1,252
Investments				-
Investment income	1,052	147	2,520	3,719
Total return allocated to income	2,475	352	(2,827)	-
Other income	1	-	-	1
Total income	12,348	1,316	(87)	13,577
EXPENDITURE ON:				
Charitable activities:				
Teaching, research and residential	10,301	975	-	11,276
Generating funds:				
Fundraising	566	-	-	566
Trading expenditure	812	-	-	812
Investment management costs	933	7	226	1,166
Total Expenditure	12,612	982	226	13,820
Net Income/(Expenditure) before gains	(264)	334	(313)	(243)
Net gains/(losses) on investments	(1,808)	47	938	(823)
Net Income/(Expenditure)	(2,072)	381	625	(1,066)
Transfers between funds	22	30	(52)	-
Net movement in funds for the year	(2,050)	411	573	(1,066)
Fund balances brought forward	21,228	3,442	68,311	92,981
Prior year fund adjustment	-	-	-	-
Funds carried forward at 31 July	19,178	3,853	68,884	91,915

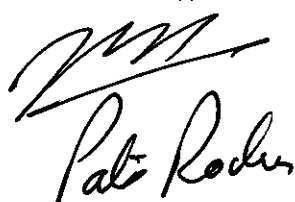
Hertford College
Consolidated and College Balance Sheets
As at 31 July 2024

	Notes	2024 Group £'000	2023 Group £'000	2024 College £'000	2023 College £'000
FIXED ASSETS					
Tangible assets	10	14,970	13,905	14,970	13,905
Property investments	11	13,173	10,063	13,173	10,063
Other Investments	12	112,219	109,664	112,219	109,664
Total Fixed Assets		140,362	133,632	140,362	133,632
CURRENT ASSETS					
Stocks		35	18	16	18
Debtors	14	5,384	3,346	5,377	2,466
Cash at bank and in hand		3,742	570	2,589	449
Total Current Assets		9,161	3,934	7,982	2,933
LIABILITIES					
Creditors: Amounts falling due within one year	15	(2,891)	(3,496)	(3,136)	(2,210)
NET CURRENT ASSETS		6,270	438	4,846	723
TOTAL ASSETS LESS CURRENT LIABILITIES		146,632	134,070	145,208	134,355
CREDITORS: falling due after more than one year	16	(40,000)	(40,000)	(40,000)	(40,000)
NET ASSETS BEFORE PENSION ASSET OR LIABILITY		106,632	94,070	105,208	94,355
Defined benefit pension scheme liability	21	-	(2,155)	-	(2,155)
TOTAL NET ASSETS		106,632	91,915	105,208	92,200
FUNDS OF THE COLLEGE					
Endowment funds		75,246	68,884	75,246	68,884
Restricted funds		6,380	3,850	6,380	3,850
Unrestricted funds					
Designated funds		15,819	14,759	14,395	15,044
General funds		9,187	6,577	9,187	6,577
Revaluation reserve					
Pension reserve	21	-	(2,155)	-	(2,155)
		106,632	91,915	105,208	92,200

The financial statements were approved and authorised for issue by the Governing Body of Hertford College on 27th November 2024

Trustee:

Trustee:



Hertford College
Consolidated Statement of Cash Flows
For the year ended 31 July 2024

	Notes	2024 £'000	2023 £'000
Net cash provided by (used in) operating activities	23	(1,260)	(1,696)
Cash flows from investing activities			
Dividends, interest and rents from investments		3,978	3,722
Proceeds from the sale of property, plant and equipment		-	-
Purchase of property, plant and equipment		(2,416)	(1,571)
Proceeds from sale of investments		11,679	6,220
Purchase of investments		(7,843)	(5,940)
Net cash provided by (used in) investing activities		5,398	2,431
Cash flows from financing activities			
Coupon on Private Placement Paid		(966)	(966)
Cash inflows from new borrowing		-	-
Receipt of endowment		-	-
Net cash provided by (used in) financing activities		(966)	(966)
Change in cash and cash equivalents in the reporting period		3,172	(231)
Cash and cash equivalents at the beginning of the reporting period		570	801
Change in cash and cash equivalents in the reporting period		3,172	(231)
Cash and cash equivalents at the end of the reporting period	24	3,742	570

Hertford College
Notes to the financial statements
For the year ended 31 July 2024

1 INCOME FROM CHARITABLE ACTIVITIES

	2024 £'000	2023 £'000
Teaching, Research and Residential		
Unrestricted funds		
Tuition fees - UK and EU students	1,903	1,844
Tuition fees - Overseas students	1,301	1,278
Other fees	823	712
Other HEFCE support	96	211
Other academic income	152	222
College residential income	2,593	2,634
	6,868	6,901
Restricted funds		
College residential income	-	-
Endowed funds		
College residential income	273	220
	273	220
Total Teaching, Research and Residential	7,141	7,121
	-	-

The above analysis includes £3300k received from Oxford University from publicly accountable funds under the CFF Scheme, net of College fees received directly (2023: £3,333k).

To support the strategic priority to fund more graduate scholars and to enable outstanding students to take up their places regardless of their financial position, for graduate students with overseas fee status funded through the Clarendon or UKRI scholarship funding schemes, the college share of the fees waived amount to £53k (2023 £26k). These are not included in the fee income reported above.

2 DONATIONS AND LEGACIES

	2024 £'000	2023 £'000
Donations and Legacies		
Unrestricted funds	392	435
Restricted funds	3,534	817
Endowed funds	-	-
	3,926	1,252

3 INCOME FROM OTHER TRADING ACTIVITIES

	2024 £'000	2023 £'000
Subsidiary company trading income	3,207	1,484
Other trading income	35	-
	3,242	1,484

Note 13

4 INVESTMENT INCOME

	2024 £'000	2023 £'000
Unrestricted funds		
Commercial rent	49	34
Equity dividends	1,193	857
Income from fixed interest stocks	217	115
Interest on fixed term deposits and cash	-	-
Bank interest	78	46
	1,538	1,052
Restricted funds		
Equity dividends	118	119
Income from fixed interest stocks	28	28
	146	147
Endowed funds		
Equity dividends	1,857	2,037
Income from fixed interest stocks	434	483
	2,291	2,520
Total Investment income	3,975	3,719

5 OTHER INCOME

Other income represents income from royalties

Hertford College
Notes to the financial statements
For the year ended 31 July 2024

6 ANALYSIS OF EXPENDITURE

	2024 £'000	2023 £'000
Charitable expenditure		
Direct staff costs allocated to:		
Teaching, research and residential	5,326	5,499
Other direct costs allocated to:		
Teaching, research and residential	4,133	4,107
Support and governance costs allocated to:		
Teaching, research and residential	(371)	1,670
Total charitable expenditure	9,088	11,276
Expenditure on raising funds		
Direct staff costs allocated to:		
Fundraising	332	359
Trading expenditure	737	150
Other direct costs allocated to:		
Fundraising	115	184
Trading expenditure	105	110
Support and governance costs allocated to:		
Fundraising	23	23
Trading expenditure	657	552
Investment management costs	1,241	1,166
Total expenditure on raising funds	3,209	2,544
Total expenditure	12,297	13,820

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 College Contribution payable of £34k (2023 - £39k).

7 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

	Generating Funds £'000	Teaching and Research £'000	2024 Total £'000
General administration	1,765	672	2,437
Human resources	16	90	106
IT	25	277	302
Depreciation	88	496	584
Loss/(profit) on fixed assets	-	-	-
Other finance charges	2	(2,159)	(2,157)
Governance costs	27	253	280
	1,923	(371)	1,552

	Generating Funds £'000	Teaching and Research £'000	2023 Total £'000
General administration	1,331	581	1,912
Human resources	-	125	125
IT	28	312	340
Depreciation	190	1,076	1,266
Loss/(profit) on fixed assets	-	-	-
Other finance charges	-	(776)	(776)
Governance costs	51	263	314
	1,600	1,581	3,181

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.

	2024 £'000	2023 £'000
Governance costs comprise:		
Auditor's remuneration - audit services	27	51
Auditor's remuneration - tax advisory services	5	15
Legal and other fees on constitutional matters	248	248
	280	314

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:

	2024 £'000	2023 £'000
Unrestricted funds		
Grants to individuals:		
Scholarships, prizes and grants	68	148
Bursaries and hardship awards	90	241
Grants to other institutions	-	-
Total unrestricted	158	389
Restricted funds		
Grants to individuals:		
Scholarships, prizes and grants	343	326
Bursaries and hardship awards	127	68
Total restricted	470	394
Total grants and awards	628	783

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.

	2024 £'000	2023 £'000
Salaries and wages	6,173	5,515
Social security costs	500	447
Pension costs:		
Defined benefit schemes	(1,348)	224
	5,325	6,186

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

	2024	2023
Tuition and research	31	31
College residential	88	87
Fundraising	4	5
Support	29	31
Total	152	154

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

	2024	2023
University Lecturers	18	18
CUF Lecturers	8	8
Other teaching and research	12	12
Other	3	3
Total	41	41

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 £13k in 2023/24 (£4k in 2022/23). All redundancy costs are accounted for in the year in which the decision was made to terminate employment.

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:

	2024	2023
£60,001-£70,000	2	4
£70,001-£80,001	3	-
£80,001-£90,001	-	-
£90,001-£100,001	-	-
£100,001-£110,001	-	-

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

In defined benefits schemes	5	4
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The College contributions to defined contribution pension schemes totalled (This comprises £807k contributions paid and a credit for decreased pension provision liability of £2155k)

(1,348)	224
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Hertford College
Notes to the financial statements
For the year ended 31 July 2024

10 TANGIBLE FIXED ASSETS

Group	Assets under construction £'000	Freehold land and buildings £'000	Plant and machinery £'000	Total £'000
Cost				
At start of year	2,921	25,751	516	29,188
Additions	1,097	466	85	1,648
Transfers to investment properties	-	-	-	-
Disposals	-	-	(516)	(516)
At end of year	4,018	26,217	85	30,320
Depreciation and impairment				
At start of year	475	14,291	517	15,283
Depreciation charge for the year	(475)	1,051	7	583
Transfers to investment properties	-	-	-	-
Depreciation on disposals	-	-	(516)	(516)
At end of year	-	15,342	8	15,350
Net book value				
At end of year	4,018	10,875	77	14,970
At start of year	2,446	11,460	(1)	13,905

College	Assets under construction £'000	Freehold land and buildings £'000	Plant and machinery £'000	Total £'000
Cost				
At start of year	2,921	25,751	516	29,188
Additions	1,097	466	85	1,648
Transfers to investment properties	-	-	-	-
Disposals	-	-	(516)	(516)
At end of year	4,018	26,217	85	30,320
Depreciation and impairment				
At start of year	475	14,291	517	15,283
Charge for the year	(475)	1,051	7	583
Transfers to investment properties	-	-	-	-
On disposals	-	-	(516)	(516)
Impairment	-	-	-	-
At end of year	-	15,342	8	15,350
Net book value				
At end of year	4,018	10,875	77	14,970
At start of year	2,446	11,460	(1)	13,905

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	2024 Total £'000	2023 Total £'000
Valuation at start of year	10,063	10,063	9,389
Transfers	-	-	-
Revaluation gains/(losses) in the year	2,342	2,342	674
Additions and improvements at cost	768	768	-
Valuation at end of year	13,173	13,173	10,063

College	Other £'000	2024 Total £'000	2023 Total £'000
Valuation at start of year	10,063	10,063	9,389
Transfers	-	-	-
Revaluation gains/(losses) in the year	2,342	2,342	674
Additions and improvements at cost	768	768	-
Valuation at end of year	13,173	13,173	10,063

12 SECURITIES AND OTHER INVESTMENTS

All investments are held at fair value.

	2024 £'000	2023 £'000
Group investments		
Valuation at start of year	109,665	111,438
New money invested	47	-
Amounts withdrawn	(11,679)	(6,220)
Reinvested income	7,947	6,094
Investment management fees	(152)	(151)
Increase / (Decrease) in value of investments	6,391	(1,497)
Group investments at end of year	112,219	109,664
Investment in subsidiaries	-	-
College investments at end of year	112,219	109,664

Group investments comprise:	Held in the UK £'000	2024 Total £'000	Held in the UK £'000	2023 Total £'000
Equity investments	22,281	22,281	22,083	22,083
Global multi-asset funds	28,504	28,504	26,148	26,148
Property funds	571	571	546	546
Fixed interest stocks	7,315	7,315	8,527	8,527
Alternative and other investments (OUEM)	43,238	43,238	41,727	41,727
Fixed term deposits and cash	10,310	10,310	10,633	10,633
Total group investments	112,219	112,219	109,664	109,664

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.

	2024 Hertford College Design and Build £'000	2024 Hertford College Programmes Ltd £'000	2023 Hertford College Design and Build £'000	2023 Hertford College Programmes £'000
Income	91	3,207	548	1,484
Expenditure	(92)	(1,499)	(544)	(812)
Donation to College under gift aid	(4)	-	(4)	-
Result for the year	(5)	1,708	-	672
Total assets	38	2,685	27	996
Total liabilities	(39)	(1,383)	(27)	(996)
Net funds at the end of year	(1)	1,302	-	-

There was no Gift Aided management charge paid by Hertford College Programmes to the College during 2023-24 (2023: £0k). It is customary for any surplus from the operation of Hertford College Programmes to be donated to Hertford College. The surplus of £1591k at the end of 23/24 will be applied to the brought forward losses (generated by covid) resulting in a gift aid payment due of £1303k. At the year end, a balance of £1651k was owed by Hertford College to Hertford College programmes (2023: £467k was owed by Hertford College Programmes to Hertford College).

During 2023-24, Hertford College Design and Build donated £4k (2023: £4k) to Hertford College. At the year end, a balance of £8k was owed to Hertford College by Hertford College Design & Build

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14 DEBTORS

	2024 Group £'000	2023 Group £'000	2024 College £'000	2023 College £'000
Amounts falling due within one year:				
Trade debtors	311	575	304	176
Amounts owed by College members	138	507	138	507
Amounts owed by Group undertakings	-	-	-	(481)
Loans repayable within one year	25	18	25	18
Prepayments and accrued income	4,910	2,246	4,910	2,246
	<u>5,384</u>	<u>3,346</u>	<u>5,377</u>	<u>2,466</u>

15 CREDITORS: falling due within one year

	2024 Group £'000	2023 Group £'000	2024 College £'000	2023 College £'000
Trade creditors	466	(125)	445	(137)
Amounts owed to College Members	(3)	331	(3)	331
Amounts owed to Group undertakings	-	-	1,659	-
Taxation and social security	140	121	147	134
Accruals and deferred income	2,088	2,924	688	1,637
Other creditors	200	245	200	245
	<u>2,891</u>	<u>3,496</u>	<u>3,136</u>	<u>2,210</u>

The opening position for accruals and deferred income has changed from previously published figures due to a correction in prior period values. This is as a result of an overaccrual of private placement coupon charges in 2021.

16 CREDITORS: falling due after more than one year

	2024 Group £'000	2023 Group £'000	2024 College £'000	2023 College £'000
Other creditors	40,000	40,000	40,000	40,000
	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>

Creditors fall due after more than one year comprise two bonds. The first was entered into in 2017/18, which has a fixed term of 30 years of which 23 remain, with a fixed coupon of 2.52%. These 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. The second bond was entered into during 2020/21 with a fixed term of 30 years and a fixed coupon of 2.31%. These funds will be used to support the significant capital investment in new facilities for the college. In a similar manner to the first bond, a portion of the proceeds has also been designated for long term investment to cover the repayment of the capital.

Hertford College
Notes to the financial statements
For the year ended 31 July 2024

17 ANALYSIS OF MOVEMENTS ON FUNDS

	At 1 August 2023 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Total Return £'000	Gains/ (losses) £'000	At 31 July 2024 £'000
Endowment Funds - Permanent							
College Endowment Fund	59,260	2,203	(209)	-	(2,558)	6,064	64,760
Drapers Fellowship Fund (Previously "Drapers Fund")	626	23	(2)	-	(29)	64	682
Mortimer May	1,023	38	(4)	-	(44)	105	1,118
E. M. Vaughan-Williams Trust	634	23	(2)	-	(27)	65	693
Michael Baring Travel Fund	95	4	-	-	(4)	10	105
Roger Van Noorden Economics Fund	633	24	(2)	-	(27)	65	693
Ellis-Barnard History Fellowship	1,601	60	(6)	-	(69)	164	1,750
Other Scholarship Funds	124	5	-	-	(6)	12	135
Student Support	764	28	(3)	-	(34)	79	834
Fellowship Fund	2,158	80	(8)	-	(93)	221	2,358
Drapers Scholarship Fund	671	25	(2)	-	(29)	69	734
Endowment Funds - Expendable							
Carreras Fellowship	641	25	(1)	(24)	-	44	685
Starun Fund	246	10	(1)	(9)	-	17	263
Armstrong-Macintyre-Markham	353	1	-	(1)	-	2	355
Law Student Support (Previously "BCL") Fund	53	15	(1)	(14)	-	26	79
Total Endowment Funds - College	68,884	2,564	(241)	(48)	(2,920)	7,007	75,246
Restricted Funds							
Undergraduate Bursaries	80	65	-	-	-	5	150
Carreras Fellowship	81	3	-	24	-	5	113
Drapers Fellowship	121	5	-	-	29	8	163
Drapers Scholarship	177	34	(20)	(83)	29	6	143
Mortimer May	109	4	(17)	-	44	7	147
E. M. Vaughan-Williams Trust	217	10	(29)	-	27	15	240
Janeway Restricted Fund	65	3	(19)	-	-	4	53
Unspent income of other Funds above	488	63	(211)	24	107	34	505
Other Funds	1,402	3,450	(1,407)	(28)	34	92	3,543
Matched Library	931	36	(2)	-	-	63	1,028
General Fellowships	184	7	-	-	93	12	296
Total Restricted Funds - College	3,855	3,680	(1,705)	(64)	363	251	6,380
Unrestricted Funds							
General	6,577	12,043	(10,350)	(3,108)	2,557	1,468	9,187
Fixed asset designated	13,905	-	-	1,065	-	-	14,970
Designated Library fund	849	-	-	-	-	-	849
Pension Reserve	(2,155)	-	-	2,155	-	-	-
Total Unrestricted Funds - College	19,176	12,043	(10,350)	112	2,557	1,468	25,006
Unrestricted funds held by subsidiaries	-	-	-	-	-	-	-
Total Unrestricted Funds - Group	19,176	12,043	(10,350)	112	2,557	1,468	25,006
Total Funds	91,915	18,287	(12,296)	0	-	8,726	106,632

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Notes to the financial statements
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	At 1 August 2022 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Total Return £'000	Gains/ (losses) £'000	At 31 July 2023 £'000
Endowment Funds - Permanent							
College Endowment Fund	58,760	2,354	(198)	-	(2,472)	807	59,251
Drapers Fellowship Fund (Previously "Drapers Fund")	624	25	(2)	-	(28)	9	628
Mortimer May	1,015	41	(3)	-	(43)	14	1,024
E. M. Vaughan-Williams Trust	631	25	(2)	-	(26)	9	637
Michael Baring Travel Fund	95	4	-	-	(4)	1	96
Roger Van Noorden Economics Fund	631	25	(2)	-	(26)	9	637
Ellis-Barnard History Fellowship	1,589	64	(5)	-	(67)	22	1,603
Other Scholarship Funds	123	5	-	-	(6)	2	124
Student Support	760	30	(3)	-	(33)	10	764
Fellowship Fund	2,140	86	(7)	-	(90)	29	2,158
Drapers Scholarship Fund	665	27	(2)	-	(28)	9	671
Endowment Funds - Expendable							
Carreras Fellowship	632	27	(1)	(26)	-	9	641
Starun Fund	243	10	-	(10)	-	3	246
Armstrong-Macintyre-Markham	353	1	-	(1)	-	-	353
Law Student Support (Previously "BCL") Fund	48	16	(1)	(15)	-	5	53
Total Endowment Funds - College	68,309	2,740	(226)	(52)	(2,823)	938	68,886
Restricted Funds							
Undergraduate Bursaries	63	16	-	-	-	1	80
Unspent income funds	-	-	-	-	-	-	-
Carreras Fellowship	51	-	-	26	-	1	78
Drapers Fellowship	89	4	-	-	28	1	122
Drapers Scholarship	111	35	-	-	28	2	176
Mortimer May	144	6	(82)	-	43	2	113
E. M. Vaughan-Williams Trust	198	10	(22)	-	26	3	215
Janeway Restricted Fund	60	3	(1)	-	-	1	63
Unspent income of other Funds above	274	124	(47)	26	103	4	484
Other Funds	1,479	723	(827)	(22)	33	20	1,406
Matched Library	881	38	(2)	-	-	12	929
General Fellowships	89	4	-	-	90	1	184
Total Restricted Funds - College	3,439	963	(981)	30	351	48	3,850
Unrestricted Funds							
General	9,341	9,877	(12,338)	(966)	2,471	(1,808)	6,577
Fixed asset designated	13,599	-	-	306	-	-	13,905
Designated Library Fund	1,124	-	(275)	-	-	-	849
Pension Reserve	(2,837)	-	-	682	-	-	(2,155)
Total Unrestricted Funds - College	21,227	9,877	(12,613)	22	2,471	(1,808)	19,176
Unrestricted funds held by subsidiaries	-	-	-	-	-	-	-
Total Unrestricted Funds - Group	21,227	9,877	(12,613)	22	2,471	(1,808)	19,176
Total Funds	92,975	13,580	(13,820)	-	(1)	(822)	91,912

The opening position for unrestricted funds has changed from previously published figures due to a correction in prior period values. This is as a result of an overaccrual of private placement coupon charges in 2021.

Transfers between funds :-

Carreras Endowment/Carreras General

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.

Endowment Funds (continued)

	Unapplied total return £000	Permanent capital £000	Total endowment £000
Balance at 1 August 2023	9,730	57,853	67,583
Income and gains			
Investment income	2,513	-	2,513
Investment gains / (losses)	6,923	-	6,923
Total income and gains	9,436	0	9,436
Application of total return	(2,919)	-	(2,919)
Fees and transfers			
Investment management fees	(237)	-	(237)
RPI adjustment	0	0	-
Total fees and transfers	(237)	0	(237)
Net movement in year	6,280	0	6,280
Balance at 31st July 2024	16,010	57,853	73,863

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 4.25% 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 2023 £000	Unapplied total return 2023 £000	RPI inflation 2024 £000	Income and gains £000	Application of total return 2024 £000	Total endowment 2024 £000	Unapplied total return 2024 £000
Funds							
Mortimer May	867	155	0	139	(44)	1,117	250
Drapers Fellowship Fund	543	83	0	85	(29)	682	139
E. M. Vaughan-Williams Trust	538	96	0	86	(27)	693	155
Michael Baring Travel Fund	81	14	0	13	(4)	104	23
Roger Van Noorden Economics Fund	612	22	0	86	(27)	693	81
Ellis-Barnard History Fellowship	1,534	67	0	218	(69)	1,750	216
Fellowship Fund	1,836	321	0	294	(93)	2,358	522
Matched Student Support	753	13	0	104	(34)	836	83
Drapers Scholarship Fund	660	10	0	91	(29)	732	72
College Endowment Fund	50,307	8,949	0	8,066	(2,557)	64,765	14,458
Scholarship Augmentation Fund	122	0	0	17	(6)	133	11
Funds total	57,853	9,730	0	9,199	(2,919)	73,863	16,010

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.
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.
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 Augmentation 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.
Fellowship Fund	Combined Historic Funds.
Drapers Scholarship Fund	Combined Historic Funds.

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 in Japanese and academic visits to/from Japan.
Armstrong-Macintyre-Markham	Gifts in the 1990s in memory of Angus Macintyre, Felix Markham and John Armstrong
History Fellowship	to support teaching and research by a History Fellow
Law student support (previously known as 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
Janeway Restricted Fund	This Fund was established by donation to support the teaching of Philosophy and Computing.
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	This comprises 47 different funds, covering a variety of college priorities such as scholarships, student societies, subject initiatives and capital projects.
Matched Library	An expendable endowment for the redevelopment or renovation of the library.
General Fellowships	Combined Historic Funds.
	Philosophy and Computing.

Designated Funds

General Unrestricted Funds	Represent accumulated income from the College's activities and other sources that are available for the general purposes of the College.
Designated library fund	This represents unrestricted monies given to the college, which have been designated by the college (rather than the donor) to be spent on the library project
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
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 4.25% 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	2024 Total £'000
Tangible fixed assets	14,970	-	-	14,970
Property investments	-	-	13,175	13,175
Other investments	43,769	6,379	62,071	112,219
Net current assets	6,270	-	-	6,270
Long term liabilities	(40,000)	-	-	(40,000)
Pension Scheme Liability	-	-	-	-
	<u>25,006</u>	<u>6,379</u>	<u>75,246</u>	<u>106,634</u>
	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2023 Total £'000
Tangible fixed assets	13,905	-	-	13,905
Property investments	-	-	10,064	10,064
Other investments	46,990	3,850	58,824	109,664
Net current assets	438	-	-	438
Long term liabilities	(40,000)	-	-	(40,000)
Pension Scheme Liability	(2,155)	-	-	(2,155)
	<u>19,178</u>	<u>3,850</u>	<u>68,888</u>	<u>91,916</u>

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 include the Head of House, Bursar and Development Director who work full time on management and fundraising.

Some trustees are eligible for college housing schemes. 35 trustees receive a housing allowance which which is disclosed within the salary figures below. 3 trustees live in a house owned jointly with the college.

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 £1,572,046 (2022-23 £1,506,566).

The total of pension contributions is £219,869 (2022-23 £240,337).

Remuneration paid to trustees

Range	2024		2023	
	Number of trustees	Gross remuneration, taxable benefits and pension contributions £	Number of trustees	Gross remuneration, taxable benefits and pension contributions £
£1,001-£2,000				
£2,001-£3,000				
£3,001-£4,000	1	3,557	1	3,388
£4,001-£5,000	2	8,939		
£5,001-£6,000	1	5,496		
£7,001-£8,000	1	7,951	1	4,224
£9,001-£10,000	1	9,417		
£12,001-£13,000			1	12,457
£13,001-£14,000	1	13,436	1	13,380
£14,001-£15,000	1	14,437		
£16,001-£17,000	1	16,129		
£19,001-£20,000			1	19,508
£20,001-£21,000			1	20,979
£22,001-£23,000			2	44,682
£24,001-£25,000	2	48,687	5	122,861
£25,001-£26,000	1	25,745		
£26,001-£27,000	15	402,737	14	380,740
£27,001-£28,000			1	27,028
£28,001-£29,000	1	28,586		
£29,001-£30,000	1	29,867		
£31,001-£32,000	1	31,448	1	31,221
£32,001-£33,000	1	32,488		
£33,001-£34,000			1	33,592
£34,001-£35,000	1	34,810		
£36,001-£37,000			1	36,132
£38,001-£39,000			1	38,944
£40,001-£41,000	1	40,238		
£47,001-£48,000	2	95,748	1	47,093
£53,001-£54,000			1	53,932
£54,001-£55,000				
£55,001-£56,000	1	55,157		
£60,001-£61,000			1	60,757
£62,001-£63,000			3	187,329
£63,001-£64,000	4	254,520		
£67,001-£68,000			1	67,662
£69,001-£70,000	1	69,258		
£76,001-£77,000	1	76,479		
£90,001-£91,000			1	90,453
£107,001-£108,000			1	107,933
£119,001-£120,000	1	119,731		
£122,001-£123,000			1	122,271
£147,001-£148,000	1	147,185		
	44	1,572,046	42	1,506,566

6 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 (2022/23: £0).

See also note 28 Related Party Transactions

Key management remuneration

The total remuneration paid to key management was £251k (2023: £236k).

Key management are considered to be the College Accountant, the Domestic Bursar and the Registrar and Director of Admissions.

21 PENSION SCHEMES

The College participates in two principal pension schemes for its staff – the Universities Superannuation Scheme (USS) and the University of Oxford Staff Pension Scheme (OSPS). The assets of each scheme are held in separate trustee-administered funds. USS and OSPS are contributory mixed benefit schemes (i.e. they provide benefits on a defined benefit basis – based on length of service and pensionable salary – and on a defined contribution basis – based on contributions into the scheme). Both are multi-employer schemes and the College is unable to identify its share of the underlying assets and liabilities relating to defined benefits of each scheme on a consistent and reasonable basis.

Therefore, in accordance with the accounting standard FRS 102 paragraph 28.11, the College accounts for the schemes as if they were defined contribution schemes. As a result, the amount charged to the Income and Expenditure Account represents the contributions payable to the schemes in respect of the accounting period. In the event of the withdrawal of any of the participating employers in USS or OSPS, the amount of any pension funding shortfall (which cannot be otherwise recovered) in respect of that employer will be spread across the remaining participating employers and reflected in the next actuarial valuation of the scheme.

USS

A deficit recovery plan was put in place as part of the 2020 valuation, which required payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate would increase to 6.3%. No deficit recovery plan was required under the 2023 valuation because the scheme was in surplus on a technical provisions basis. The College was no longer required to make deficit recovery contributions from 1 January 2024 and accordingly released the outstanding provision to the income and expenditure account. The latest available complete actuarial valuation of the Retirement Income Builder is as at 31 March 2023 (the valuation date), which was carried out using the projected unit method.

Since the College cannot identify its share of USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

At 31 July 2023, the College's balance sheet included a liability of £2,135k for future contributions, following the 2020 valuation when the scheme was in deficit. No deficit recovery plan was required from the 2023 valuation, because the scheme was in surplus. Changes to contribution rates were implemented from 1 January 2024 and from that date the College was no longer required to make deficit recovery contributions. The remaining liability of £2,135k was released to the income and expenditure account.

The 2023 valuation was the seventh valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions (the statutory funding objective). At the valuation date, the value of the assets of the scheme was £73.1 billion and the value of the scheme's technical provisions was £65.7 billion indicating a surplus of £7.4 billion and a funding ratio of 111%.

The key financial assumptions used in the 2023 valuation are described below.

CPI Assumption	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves less: 1.0% p.a. to 2030, reducing linearly by 0.1% p.a. from 2030.
Pension increases (subject to a floor of 0%)	Benefits with no cap: CPI assumption plus 3bps Benefits subject to a "soft cap" of 5% (providing inflationary increases up to 5%, and half of any excess inflation over 5% up to a maximum of 10%): CPI assumption minus 3bps
Discount rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.5% p.a. Post Retirement :0.9% p.a.

The main demographic assumptions used relate to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2023 actuarial valuation. The mortality assumptions used in these figures are as follows:

Mortality base table	101% of S2PMA "light" for males and 95% of S3PFA for females
Future improvements to mortality	CMI 2021 with a smoothing parameter of 7.5, an initial addition of 0.4% p.a. and a long-term improvement rate of 1.8% pa for males and 1.6% pa for females

The current life expectancies on retirement at age 65 are:

	2024	2023
Males currently aged 65 (years)	23.7	24.0
Females currently aged 65 (years)	25.6	25.6
Males currently aged 45 (years)	25.4	26.0
Females currently aged 45 (years)	27.2	27.4

University of Oxford Staff Pension Scheme

The University of Oxford Staff Pension Scheme (OSPS) is a multi-employer hybrid scheme set up under trust and sponsored by the University. It is the pension scheme for support staff at the University, participating colleges and other related employers. New members joining the scheme build up benefits on a defined contribution basis. Members who joined before 1st October 2017 build up benefits on a career average revalued earnings basis.

The latest full actuarial valuation for the OSPS scheme was completed as at 31 March 2022. The funding position of this scheme has improved significantly moving from deficit of £113m to a surplus of £47m at the valuation date. As a result, the recovery plan agreed at the last valuation is no longer required and the deficit contribution ended on 30th September 2023. A provision of £1,285k was made at 31 July 2023 to account for deficit recovery payments up to 30th September 2023. That remaining liability of £1,285k was released to the income and expenditure account in 2024.

The Trustee and the University have agreed a new contribution schedule which took effect from 1 October 2023 and takes account of the benefit improvements and changes to member contributions since the last valuation date. It was agreed that the scheme will meet its own running costs from the scheme's assets, including expenses relating to both the DB and DC Sections and the cost of pension Protection Fund /other statutory levies.

The table below summarises the key actuarial assumptions. Further details of the assumptions are set out in the statement of funding principles dated 27 June 2023 and can be found at <https://finance.admin.ox.ac.uk/osps-documents>

Date of Valuation	31/03/2022
Value of Liabilities	£914m
Value of Assets	£961m
Funding Surplus / (deficit)	£47m

The principal assumptions used by the actuary were:

Rate of interest (Periods up to retirement)	Gilts + 2.25%
Rate of interest (Periods after retirement)	Gilts + 0.5%
RPI	Break even RPI curve less 0.5% p.a. ore 2030 and 1% p.a. post 2030
CPI	RPI inflation assumption less 1% pa pre-2030 and 0.1% pa post-2030
Pensionable Salary increases	RPI + p.a.
Funding ratios:	
Technical provisions basis	105%
Buy out' basis	62%

Non financial assumptions:

Post-retirement mortality - base table	Non-Pensioners: 105% of standard S3PxA medium tables for both males and females Pensioners: 105% of standard S3PxA medium tables for both males and females
Post-retirement mortality - improvements	Non-Pensioners: 105% of standard S3PxA medium tables for both males and females Pensioners: 105% of standard S3PxA medium tables for both males and females
Recommended employer's contribution rate (as % of pensionable salaries):	16.5% DB for members from 01/10/2023 10% /12% /14% DC members in relation to 4% /6% /8% cost plan - from 01/10/2023
Effective date of next valuation:	31/03/2025

Pension charge for the year

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

Scheme	2023/24	2022/23
Universities Superannuation Scheme	522	571
University of Oxford Staff Pension Scheme	286	334
Other schemes – contributions	0	0
Total	808	905

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.

Hertford College
Notes to the financial statements
For the year ended 31 July 2024

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

	2024	2023
	Group	Group
	£'000	£'000
Net income	14,717	(1,066)
<i>prior period adjustment</i>		
Elimination of non-operating cash flows:		
Investment income	(3,978)	(3,722)
(Gains)/ Losses in investments	(8,726)	823
Endowment donations	-	-
Depreciation	584	1,266
(Surplus)/loss on sale of fixed assets	-	-
(Increase) / Decrease in stock	(17)	2
(Increase) / Decrease in debtors	(2,037)	(1,253)
Increase / (Decrease) in creditors	(613)	1,970
(Decrease)/Increase in provisions	-	-
Increase / (Decrease) in pension scheme liability	(2,165)	(682)
Coupon on Private Placement paid	966	966
Net cash used in operating activities	(1,260)	(1,696)

24 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2024	2023
	£'000	£'000
Cash at bank and in hand	3,742	570
Total cash and cash equivalents	3,742	570

25 FINANCIAL COMMITMENTS

The totals of future minimum lease payments under non-cancellable operating leases for each of the following periods were:	2024	2023
	£'000	£'000
Land and buildings		
Not later than one year	227	155
Later than one year and not later than five years	136	126
Later than five years	1	1
	364	282
Other		
Not later than one year	24	23
Later than one year and not later than five years	29	68
	53	91

26 CAPITAL COMMITMENTS

The College had contracted commitments at 31 July 2024 for future capital projects totalling £60k (2023: £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.

	2024	2023
	£'000	£'000
B Frellesvig	17	21
V Vyazovskiy	68	71
R Zubek	144	151
A Nair	292	-
	521	243

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

The statement of accounts was authorised for issue on 27th November 2024. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31st July 2024 the figures in the financial statements and notes have been adjusted in all material respects to reflect this information.

On 9th October, the Principal of Hertford College tendered his resignation. As this event arose after the balance sheet date, and does not impact the conditions surrounding the financial statements, it is deemed to be a non adjusting event. During the transition period until a new principal is appointed, the governance of the college will be overseen by Professor Pat Roche, who has been elected as the interim Principal.

