



Nuffield  
College  
UNIVERSITY OF OXFORD

# ANNUAL REPORT AND FINANCIAL STATEMENTS

Year ended 31 July 2019

Registered Charity Number 1137506



**Nuffield College**  
**Annual Report and Financial Statements**  
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## Nuffield College

### Governing Body, Officers and Advisers

Year ended 31 July 2019

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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 in office as Trustees during the year or subsequently are listed below.

	Elected/Resigned/Retired	(1)	(2)	(3)	(4)	(5)
<b>Warden</b>						
Sir A W Dilnot		•	•	•	•	•
<b>Official Fellows</b>						
N D de Graaf						
R Duch				•		
G Evans				•	•	
I Jewitt	On leave of absence 01/09/2018 to 31/08/2019	•	•			
J O Jonsson		•				
M A Meyer						
<b>Professorial Fellows</b>						
K Adam	Elected 01/09/2018. Leave of absence 01/09/2019 for 1 year.					
B Ansell						•
R Breen						
S Broadberry		•				
E Bukodi						
L Cluver	Elected 01/09/2019					
I Crawford						
P Culpepper	Elected 01/10/2018					
J Dill			•	•		
A Eggers			•			
M Ellison			•			
R M Fitzpatrick			•	•		
E Gonzalez Ocantos						
J Green	Elected 01/09/2018					
R Kashyap						
D S King						
D Kirk						



**Nuffield College****Governing Body, Officers and Advisers****Year ended 31 July 2019**

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	<b>Elected/Resigned/Retired</b>	<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>
P Klemperer						•
C Laborde						
H Low	Elected 01/10/2018					
C Mills					•	
M Mills						•
C W S Monden						
B Nielsen						
K W S Roberts				•	•	
D Rueda		•				
G Sasse	On leave of absence for 2 years from 01/10/2019					
D J Snidal						
A Thompson	Elected 01/09/2019					
<b>Supernumerary Fellows</b>						
E Kechagia-Ovseiko		•			•	•
T Moore		•	•	•		•
<b>Research Fellows</b>						
S Bond						
Sir D Hendry	Stepped down as a trustee 30/09/2018				•	

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

- (1)** Strategy and Resources Committee
- (2)** Investment Committee
- (3)** Personnel & Domestic Committee
- (4)** Library Committee
- (5)** Information Systems Committee

Two additional committees, chaired by external non-trustees, advise the Governing Body. These are the Audit Committee and the Fellows' Remuneration Review Committee.

## Nuffield College

### Governing Body, Officers and Advisers

Year ended 31 July 2019

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#### COLLEGE SENIOR STAFF

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

Andrew Dilnot	<i>Warden</i>
Eleni Kechagia-Ovseiko	<i>Senior Tutor</i>
Gwilym Hughes	<i>Head of the Endowment Office – until 8<sup>th</sup> April 2019</i>
David Walker	<i>Interim Head of the Endowment Office – from 1<sup>st</sup> April 2019</i>
Tom Moore	<i>Bursar</i>
Yanislava Moyse	<i>College Accountant</i>

#### COLLEGE ADVISERS

##### Investment managers

Majedie Asset Management, 10 Old Bailey, London EC4M 7NG

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

##### Investment property managers

Savills plc, 33 Margaret Street, London W1G 0JD

meterhoch2! Hausverwaltungen GmbH, Schwarzbacher Str. 3, 10711 Berlin, Germany

##### Auditor

Critchleys Audit LLP, Beaver House, 23-38 Hythe Bridge Street, Oxford OX1 2EP

##### Bankers

Royal Bank of Scotland Group plc, 36 St Andrew Square, Edinburgh EH2 2YB

J P Morgan, 1 Knightsbridge, London SW1X 7LX.

##### Solicitors

Knights Professional Services Limited, Midland House, West Way, Botley, Oxford OX2 0PH

Roever Broenner Susat Mazars GmbH & Co. KG, Alt-Moabit 2, 10557 Berlin, Germany

##### Surveyors

Savills plc, 33 Margaret Street, London W1G 0JD

Adkin, Orpwood House, School Road, Ardington, Wantage, Oxfordshire, OX12 8PQ

##### College address

New Road

Oxford OX1 1NF

##### Registered Charity Number

1137506

##### Website

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

**Nuffield College**  
**Report of the Governing Body**  
**Year ended 31 July 2019**

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

**REFERENCE AND ADMINISTRATIVE INFORMATION**

The Warden and Fellows of Nuffield College in the University of Oxford, which is known as Nuffield College (“the College”), is an eleemosynary chartered charitable corporation aggregate. It was founded by Viscount Nuffield under a Deed of Covenant and Trust dated 16 November 1937 and was granted a Royal Charter from Queen Elizabeth the Second on 18 April 1958. The corporation comprises the Warden and Fellows.

The names of all Members of the Governing Body at the date of this report and of those in office during the year, together with details of the senior staff and advisers of the College, are given on pages 2 to 4.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing documents**

The College is governed by its Charter and Statutes dated 18 April 1958.

**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 Master of the Rolls. The Governing Body is self-appointing, by election.

New members of the Governing Body are elected on the basis of academic distinction, or their ability to serve the College in other ways.

The Governing Body determines the ongoing strategic direction of the College and regulates its administration and the management of its finances and assets. It meets regularly under the chairmanship of the Warden.

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

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

Members of the Governing Body are made aware of Charity Commission guidance to trustees and may attend external trustee training and information courses to keep them informed on current issues in the sector and on regulatory requirements. Trustee training (delivered by Penningtons Manches) is organised by the Conference of Colleges on an annual basis and is open to all new Governing Body fellows.

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

Members of the Governing Body, who are primarily Fellows engaged in teaching and research, receive no remuneration or benefits from their trusteeship of the College. Those trustees who 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 Fellows' Remuneration Review Committee (FRRRC). Where possible, remuneration is set in line with that awarded to the University's academic staff. FRRRC consists of a Chair plus three members, normally including at least two current Visiting Fellows; none of the Committee's members are trustees and none are in receipt of remuneration from the College. The Committee provides independent scrutiny of proposals concerning any changes to pay or conditions that would benefit Fellows, by testing them against three key principles: legitimacy, affordability, and reasonableness.

### **Organisational management**

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

- The Strategy and Resources Committee. Academic policies and the utilisation of College resources and functional assets.
- The Investment Committee. Supervision of the College investments and income policies, which includes at least two and up to four suitably qualified external members.
- The Personnel and Domestic Committee. Personnel and health & safety policies. Domestic arrangements including catering and maintenance.
- The Library Committee. Supervision of the College Library.
- The Information Systems Committee. Information systems policies and maintenance. Provision of IT equipment and support.

The day-to-day running of the College is delegated to the senior staff listed on page 4 (*viz.*, the Warden, Senior Tutor, Head of the Endowment Office, Bursar, and College Accountant), and is supported by heads of the College's administrative departments. The Governing Body is chaired by the Warden, who also chairs the College's Investment Committee, Strategy and Resources Committee, Library Committee and Personnel and Domestic Committee. The Information Systems Committee is chaired by an IT Fellow (drawn from amongst the College's Governing Body), who also has some responsibility for overseeing the relevant areas of the College's IT activities.

In addition, there are two committees that assist the College to control risks related to governance and conflicts of interest: a Fellows' Remuneration Review Committee (as described above) and an Audit Committee, which has an external (not a trustee or employee) chair and two further external members, and which advises Governing Body on the effectiveness of the financial and other internal control systems of the College.

### **Group structure and relationships**

The College has one wholly owned non-charitable subsidiary: Nuffield Properties Ltd, which was dormant throughout the relevant period and also the previous period.

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 postgraduate education and research in the social sciences. 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 undertake world-class research and to facilitate the study of social science problems by co-operation between academic and non-academic persons;
- to disseminate the results of this research and contribute to public policy making;
- to recruit and admit postgraduate students in the social sciences, and present them for matriculation in the University of Oxford (admission is open to all and is subject only to academic merit);
- to supervise students who are studying for postgraduate degrees and prepare them for careers, in the academic world or beyond; and
- to contribute to the cultural, social, and economic life of the city of Oxford.

**Nuffield College**  
**Report of the Governing Body**  
**Year ended 31 July 2019**

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To achieve these aims, the College will:

- collaborate with the University of Oxford to attract, recruit, and retain outstanding academic staff and postgraduate students;
- establish, in particular through its scheme of Visiting Fellowships, strong on-going relationships with figures in the public and private sectors;
- employ rigorous admissions procedures to select the best graduate students in the social sciences, providing innovative funding packages to ensure that admission is based on academic merit alone, regardless of financial means; and
- work closely and creatively with, *inter alia*, the University of Oxford and local authorities to identify and develop opportunities to contribute to the life of the city of Oxford.

The College will use the following criteria to measure the success of these strategies:

- the volume and quality of research published by academic members of the College (as assessed, *inter alia*, through exercises such as the Research Excellence Framework);
- the impact of this research outside of academia, and in particular on public policy;
- other indicators of academic esteem (including, for example, prizes awarded and research grants won);
- acceptance rates for the admission of graduate students, and their academic results; and
- student placement records (in respect of both academic and non-academic careers).

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

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

In 2018/19, the College:

- elected three new Governing Body Fellows (Lucie Cluver; Andrew Thompson; and Frank Windmeijer); sixteen new Research Fellows and Research Officers; two non-academic persons to Visiting Fellowships, and one Emeritus Fellow;
- admitted 10 students to study for postgraduate taught courses in the Social Sciences, 16 postgraduate research students, and 6 visiting students;
- hosted more than 60 academic conferences or workshops;
- continued to take forward plans for the redevelopment of the Oxpens site in the West End of Oxford, through a Joint Venture Company in conjunction with the City Council;
- completed the refurbishment of a building at 42/43 Park End Street which is now occupied by the University of Oxford's Sociology Department; and
- began to put in place arrangements for masterplanning the sites owned by the College in the West End of Oxford.

### **Policy on and provision of bursary support**

The College admits only graduate students. It awards scholarships to cover or partially cover fees and maintenance costs. In 2018/19, College funds provided £955k towards such costs, which was 4% higher than the previous year (2018: £918k).

### **Statement on fundraising activities**

Through its Development Office, the College builds relationships with alumni and other friends of the institution in order to foster a culture of giving. Potential donors are invited to give through a variety of fundraising tools, including dedicated alumni events and communications, face-to-face major gift solicitation, as well as an annual fund programme (direct mail appeals and telethons). Telethons are conducted in conjunction with Buffalo Fundraising Consultants. The College follows and has complied in full with the Fundraising Regulator's "Code of Practice in Fundraising" and has committed to the Regulator's "Fundraising Promise". No complaints have been received about fundraising activities undertaken by the College or any of its commercial participants.



## **ACHIEVEMENTS AND PERFORMANCE**

Some highlights from 2018/19 are set out below. A full record of the College's academic activities for the year can be found in the Annual Report.

The College elected three new Professorial Fellows: Lucie Cluver as Professor of Child and Family Social Work, in association with the Department of Social Policy and Intervention and Andrew Thompson to the Professorship in Global Imperial History, in association with the Faculty of History (both w.e.f. September 2019), and Frank Windmeijer to a Professorial Research Fellowship, in association with the Department of Statistics, with effect from 1 January 2020. Kate Barker (External Member of the University of Oxford Council); Cressida Dick (Metropolitan Police Commissioner); Frances O'Grady (General Secretary of the Trades Union Congress) and Ernest Ryder (Senior President of Tribunals) were each elected to Visiting Fellowships, and Laura How, Chief Operating Officer of the Bodleian Libraries, was elected to a Supernumerary Fellowship.

Professorial Fellow Melinda Mills – together with an interdisciplinary team of researchers from sociology, statistics, molecular biology, genetics, history, and economics – won a £10m Leverhulme Trust grant to establish a Centre on Demographic Science; the new Centre is a ground-breaking initiative aiming to realign the science of demography by uniting disciplines to tackle global demographic challenges. Elsewhere in the College, Official Fellow Geoff Evans and Professorial Fellow Jane Green secured continued leadership of the British Election Study, the longest running social science survey in the UK, as part of the consortium between the Universities of Manchester and Oxford and funded by the ESRC. In July 2019, two of the College's Official Fellows were elected as Fellows of the British Academy: Margaret Meyer (Economics) and Geoffrey Evans (Politics), bringing to 12 the total number of Governing Body members who are also fellows of the British Academy.

At the beginning of the year, the team of researchers at the Centre for Social Investigation (CSI) which is hosted by the College and led by Anthony Heath, published a new book called *Social Progress in Britain* examining how far Britain has come in tackling major social challenges such as poverty, inequality, and disease. Nan Dirk De Graaf and, former Postdoctoral Prize Research Fellow in Sociology, Dingeman Wiertz published a new multidisciplinary social science textbook, *Societal Problems as Public Bads*, bringing together insights from across the social sciences to address the causes of societal problems. Bess Bukodi and John Goldthorpe launched their new book on *Social Mobility and Education in Britain* at a seminar held in the Nuffield Foundation that brought together policy makers and academics to discuss the book's main argument that social mobility in Britain has not declined overall, contrary to popular belief. A further collaboration with the Nuffield Foundation, in May 2019, resulted in the College hosting a conference jointly organised with the Nuffield Foundation and the Nuffield Trust on Delivering Public Good and Building Public Trust. The aim of the event – which brought together delegates from the academic world, the civil service and other public bodies across the fields of health, education, justice and welfare – was to stimulate cross-disciplinary thinking on the major challenges for UK social policy in the 2020s and the research agenda that could help address them.

In respect of student admissions, the College received and reviewed 295 applications from prospective students and made 36 offers. In total, 25 students started their course in September 2018: 6 in Economics (1 DPhil and 5 MPhil), 9 in Politics and International Relations (4 DPhil and 5 MPhil), 7 in Sociology and Social Policy (4 DPhil, 2 MPhil, and 1 MSc), and 3 in interdisciplinary subjects (History and the MBA). 24 students in taught masters courses took exams at the end of the academic year. Of the twelve in the final year of their course, six achieved overall distinctions. 14 DPhil students completed their doctoral thesis, 8 of whom have subsequently secured academic posts.

The College continued the scheme, launched in 2016/17, of underwriting funding for all new students admitted at Nuffield, meaning that the College provides the full funding required (or partial funding in conjunction with another scholarship) in the event that a new student does not secure scholarship funding from other sources to meet the full costs of their study (fees and living expenses). By removing the funding uncertainty at an early stage in the admissions process, the College aims to attract and, crucially, retain applicants of the highest academic merit. To further that aim, in 2019 the College funded and hosted a pioneering graduate access initiative – directed by Professorial Fellow Dave Kirk – designed to enhance diversity and inclusiveness within the social sciences at Oxford, and in UK academia more broadly. The Nuffield Undergraduate Scholars Institute (NUSI) brought six talented undergraduate students to Nuffield for six weeks over the summer and offered them intensive social science methods training and hands-on research experience through an internship with a College Fellow. The academic element of the summer school was complemented with a programme of professional development activities and social events, in conjunction with the University's UNIQ+ graduate access scheme.

## **Nuffield College**

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

**Year ended 31 July 2019**

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The College's Development Office, established in 2015, has continued to reach out, through events and other activities, to alumni and friends of the College, and has been successful in generating new donations and significant pledges. Notably it has completed fundraising to endow six scholarships since its inception, and most recently, a scholarship was completed to honour former Fellow Max Corden. Also, fundraising to endow scholarships in memory of former Warden and Economist Tony Atkinson and former Fellow W M "Terence" Gorman have been completed.

## **FINANCIAL REVIEW**

### **Income**

The College's total income increased by 18% to £13,283k in 2018/19 (2018: £11,300k). Investment income, which is the largest source of income to the College, increased by 17% to £10,759k (2018: £9,214k).

Income from charitable activities of £1,972k was 4% higher than the previous year, and consisted of student fee income of £206k (a decrease of 12%), other HEFCE support of £157k, other academic and mainly research grant income of £1,072k (an increase of 23%), and College residential income of £537k (a decrease of 13%).

Income from donations amounted to £552k (2018: £193k) and was composed mainly of endowment donations (£539k) to the Graduate Scholarship funds.

### **Expenditure**

The College's total expenditure increased by 31% to 13,936k (2018: £10,613k) and expenditure on charitable activities of £10,689k was 26% higher than the previous year. The above figures include expenditure related to a temporary increase in the pension provision of £883k. Details of the pension provision, which has been discounted at a rate of 3.25% as at 31 July 2019, are included in notes 23 and 32 to the financial statements.

The cost of generating funds grew by 51% to £3,247k. Investment management costs, which include major dilapidation works on a listed building, rose by 55% to £2,991k (2018: £1,927k). No associated income has been recognised as at 31 July 2019 due to uncertainty about the timing and the amount the College will receive.

Fundraising costs of £256k were 14% higher than the previous year (2018: £225k).

### **Result for the year**

The College's total consolidated funds increased by £12,024k in the year to £268,078k as at 31 July 2019 (2018: £256,054k), which represents an increase of 5%. The increase is mostly attributable to investment gains.

### **Investments**

The total group investments, which comprise securities, property investments and investment in JV, increased by 6% and amounted to £282,734k (2018: £266,461k) at the year end. The total net investment return was 7.6% (2018: 8.4%), mainly attributable to property appreciation, including unrealised gains on foreign exchange.

The value of the bank loan, measured at amortised cost, was £31,881k and the interest payable for the year was 1.89% (LIBOR plus 1%). After taking into account the bank loan and the net investment current assets of £2,922k, the total consolidated net investment assets stood at £253,775k at 31 July 2019 (2018: £241,247k).

### **Reserves policy**

The College's reserves policy is to maintain sufficient free reserves to meet short-term financial obligations in the event of an unexpected revenue shortfall.

The College's general unrestricted funds at the year end amounted to £3,231k (2018: £3,650k), excluding an amount of £10,436k (2018: £10,175k) for the book value of fixed assets. In accordance with FRS 102, a pension reserve of £1,922k (2018: £1,039k) is included within unrestricted funds representing the defined benefit pension scheme liability.

Designated reserves at the year end amounted to £2,558k (2018: £2,021k), which included funds of £68k (2018: £68k) for specific research projects to be spent within ten years of the initial award and an academic fund of £2,490k (2018: £1,953k), set up in March 2014, for the purpose of advancing postgraduate education and research.

## **Risk management**

Policies and procedures within the College are reviewed by the relevant College Committee, and each key Committee maintains its own Risk Register. Financial risks are assessed by the Strategy and Resources and Audit Committees, and investment risks are monitored by the Investment Committee. In addition, the Bursar and heads of the College departments meet regularly to review health and safety issues. When it is not able to address risk issues using internal resources, the College takes advice from experts external to the College with specialist knowledge. Training courses and other forms of career development are promoted to members of staff to enhance their skills in risk-related areas.

## **Governance & Compliance**

<i>Risk</i>	<i>Managing strategies</i>
Lack of strategy / skills	Strategy and Resources Committee; budget-setting and quarterly forecasting; recruitment and induction processes; appointment of external consultants with relevant expertise as appropriate.
Conflict of interest / non-charitable activities	Fellows Remuneration Review Committee; Conflict of Interest policy; recruitment and induction processes.
Regulatory reporting requirements	Allocate roles and responsibilities; training and induction; regular departmental reviews.

## **Academic**

<i>Risk</i>	<i>Managing strategies</i>
Failure to recruit and retain world class academic staff	Strategic planning; competitive salaries and benefits; appointment procedures; collaboration with University.
Failure to attract and admit top quality graduate students	Admissions planning and processes; scholarships; quality of student experience; collaboration with University; low overall intake.

## **Financial**

<i>Risk</i>	<i>Managing strategies</i>
Fraud; budgetary control	Audit Committee; internal controls; segregation of duties; regular reporting.
Investment policy	Investment Committee; regular reporting; diversification of holdings; external fund managers.

## **Operational**

<i>Risk</i>	<i>Managing strategies</i>
Loss of key staff	Systems, policies, and processes; succession planning; regular departmental reviews.
Information security; data loss	Information Systems Committee; back-up arrangements; regular reviews; collaboration with University; business continuity planning.
Health and safety; employment issues	Recruitment, induction, and training; management processes; monitoring and reporting; external controls.

### **Investment policy, objectives and performance**

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

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

To meet these objectives the College's investments as a whole 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 investment strategy, policy and performance are monitored by the Investment Committee.

Under the total return accounting basis, it is the Governing Body's policy to use a long-term spending rate combined with a smoothing rule, which adjusts spending gradually in accordance with changes in the endowment's market value (after costs). The amount released under this policy is currently based on an income component, determined by a weighted average of allowable prior spending adjusted for inflation (80% weight) and a market component, the amount which would have been spent using 4.3% of the previous year brought forward fund values (20% weight). This smoothing results in a lag in reaching the long-term rate. The sum of the income and market components is the total endowment income available for spending.

The equivalent of 3.48% of the opening balances of the relevant funds, plus costs, was extracted as income on the total return basis in the year (2018: 3.40%). 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.

### **FUTURE PLANS**

The core elements of the College's future plans are:

- to continue to recruit and retain outstanding academic staff and students in the social sciences;
- to take steps to improve student experience and outcomes and prepare students for the academic and non-academic job markets;
- to produce and disseminate high quality and innovative research in the social sciences and to pursue collaborations with the non-academic world;
- to form strong ongoing relationships with alumni and with significant figures in the public and private sectors;
- to make a significant contribution to the improvement of the West End of Oxford, working with relevant stakeholders to increase the presence of social science and innovation activities in that area.

## **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 6 November 2019 and signed on its behalf by:

Sir Andrew Dilnot  
Warden



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GOVERNING BODY OF NUFFIELD COLLEGE**

**Opinion**

We have audited the financial statements of Nuffield College (the "Charity") for the year ended 31 July 2019 which comprise the Statement of Accounting Policies, the Consolidated Statement of Financial Activities, the Consolidated and College Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements. 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 and charity's affairs as at 31 July 2019 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

**Other information**

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

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

We have nothing to report in this regard.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GOVERNING BODY OF NUFFIELD COLLEGE**

**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 Act 2011 requires us to report to you if, in our opinion:

- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

**Responsibilities of the Members of the Governing Body**

As explained more fully in the Statement of Accounting and Reporting Responsibilities [set out on page 12], the Members of the Governing Body 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 they 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 Members of the Governing Body are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Members of the Governing Body 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**

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

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

**Use of our report**

This report is made solely to the College's Governing Body, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Members of the Governing Body 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 College's Governing Body as a body, for our audit work, for this report, or for the opinions we have formed.

**Critchleys Audit LLP**

Statutory Auditor

Oxford

Date: 13 November 2019

Critchleys Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

**1. Scope of the financial statements**

The financial statements present the Consolidated Statement of Financial Activities (SOFA), the Consolidated and College Balance Sheets and the Consolidated Statement of Cash Flows for the College and its interest in the OxWED joint venture, under the equity method of accounting. 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.

**2. Basis of accounting**

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

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

**3. Accounting judgements and estimation uncertainty**

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

The College is a member of the Universities Superannuation Scheme (USS) and University of Oxford Staff Pension Scheme (OSPS). These are multi-employer pension schemes both of which are in deficit. The College has recognised a provision for its commitments under the agreed deficit reduction plans for each scheme. In calculating these provisions the College has made a number of assumptions which are disclosed in note 23.

The College carries investment property at fair value in the balance sheet, with changes in fair value being recognised in the income and expenditure section of the SOFA. Independent valuations are obtained to determine fair value at the balance sheet date.

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

**4. Income recognition**

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

**a. Income from fees, HEFCE support and other charges for services**

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

**b. Income from donations, grants and legacies**

Donations and grants that do not impose specific future performance-related or other specific conditions are recognised on the date on which the 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. In case of donations, entitlement usually arises immediately on its receipt. 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.

Research grants income is usually conditional on delivery of specified research and incurring pre-determined expenditure, therefore performance condition is delivery of particular level of service, measured by proportion of costs incurred.

**c. 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 when the right to receive payment can be established.

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

**5. Expenditure**

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

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

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

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

## **6. Leases**

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

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

## **7. Tangible fixed assets**

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

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 £5,000 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 is charged to the SOFA as incurred.

## **8. Depreciation**

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

Freehold properties, including major extensions	50 years
Leasehold properties	50 years or period of lease if shorter
Building improvements	25 years
Equipment	3 years

Freehold land is not depreciated. The cost of maintenance is charged in the SOFA in the period in which it is incurred.

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



## **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.

Other unquoted investments are valued using primary valuation techniques such as earnings multiples, recent transactions and net assets where reliable estimates can be made – otherwise at cost less any impairment.

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**

### **a. Derivatives**

Derivative financial instruments are initially measured at fair value on the date the contract is entered into and are subsequently measured at fair value. Changes in fair value are credited or charged to the income or expenditure section of the SOFA. Hedge accounting is not currently applied to derivatives.

### **b. 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.

### **c. 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. Total Return investment accounting**

The College statutes authorise the College to adopt a 'total return' basis for the investment of its permanent endowment. The College can invest its permanent endowments without regard to the capital/income distinctions of standard trust law and with discretion to apply any part of the accumulated total return on the investment as income for spending each year. Until this power is exercised, the total return is accumulated as a component of the endowment known as the unapplied total return that can be either be retained for investment or released to income at the discretion of the Governing Body.

### **14. Fund accounting**

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

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

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

Permanent endowment funds arise where donors specify that the funds are to be retained as capital for the permanent benefit of the College. Any part of the total return arising from the capital that is allocated to income 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.

### **15. Pension costs**

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

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

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

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2019 Total £'000	2018 Total £'000
<b>INCOME AND ENDOWMENTS FROM:</b>						
<b>Charitable activities:</b>	1					
Teaching, research and residential		1,972	0	0	1,972	1,893
<b>Other Trading Income</b>	3	0	0	0	0	0
<b>Donations and legacies</b>	2	11	2	539	552	193
<b>Investments</b>						
Investment income	4	68	330	10,361	10,759	9,214
Total return allocated to income	14	7,546	0	(7,546)	0	0
Other income		0	0	0	0	0
<b>Total income</b>		9,597	332	3,354	13,283	11,300
<b>EXPENDITURE ON:</b>						
	5					
<b>Charitable activities:</b>						
Teaching, research and residential		9,845	844	0	10,689	8,461
<b>Generating funds:</b>						
Fundraising		256	0	0	256	225
Trading expenditure		0	0	0	0	0
Investment management costs (incl. Loan interest)		0	127	2,864	2,991	1,927
<b>Total Expenditure</b>		10,101	971	2,864	13,936	10,613
<b>Net Income/(Expenditure) before gains</b>		(504)	(639)	490	(653)	687
Net gains/(losses) on investments	10, 11	0	359	12,914	13,273	15,057
<b>Net Income/(Expenditure)</b>		(504)	(280)	13,404	12,620	15,744
Group share of joint venture's profit/(loss)	12	0	0	(596)	(596)	(473)
<b>Transfers between funds</b>	19	0	529	(529)	0	0
<b>Other recognised gains/losses</b>						
Gains/(losses) on revaluation of fixed assets		0	0	0	0	0
Actuarial gains/(losses) on defined benefit pension schemes		0	0	0	0	0
<b>Net movement in funds for the year</b>		(504)	249	12,279	12,024	15,271
Fund balances brought forward	19	14,807	7,661	233,586	256,054	240,783
<b>Funds carried forward at 31 July</b>		14,303	7,910	245,865	268,078	256,054

**Nuffield College**  
**Consolidated and College Balance Sheets**  
**As at 31 July 2019**

	Notes	2019 Group £'000	2018 Group £'000	2019 College £'000	2018 College £'000
<b>FIXED ASSETS</b>					
Tangible assets	9	10,436	10,175	10,436	10,175
Heritage assets		0	0	0	0
Property investments	10	107,485	110,205	107,485	110,205
Other Investments	11	166,157	150,728	176,917	157,328
Investment in joint venture	12	9,092	5,528		
<b>Total Fixed Assets</b>		<b>293,170</b>	<b>276,636</b>	<b>294,838</b>	<b>277,708</b>
<b>CURRENT ASSETS</b>					
Stocks		74	70	74	70
Debtors	15	3,349	8,160	3,349	8,160
Investments		0	0	0	0
Cash at bank and in hand		7,522	6,465	7,522	6,465
<b>Total Current Assets</b>		<b>10,945</b>	<b>14,695</b>	<b>10,945</b>	<b>14,695</b>
<b>LIABILITIES</b>					
Creditors: Amounts falling due within one year	16	2,234	2,376	2,234	2,376
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<b>8,711</b>	<b>12,319</b>	<b>8,711</b>	<b>12,319</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>301,881</b>	<b>288,955</b>	<b>303,549</b>	<b>290,027</b>
<b>CREDITORS: falling due after more than one year</b>	17	<b>31,881</b>	<b>31,862</b>	<b>31,881</b>	<b>31,862</b>
<b>Provisions for liabilities and charges</b>	18	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NET ASSETS/(LIABILITIES) BEFORE PENSION ASSET OR LIABILITY</b>		<b>270,000</b>	<b>257,093</b>	<b>271,668</b>	<b>258,165</b>
<b>Defined benefit pension scheme liability</b>	23	<b>1,922</b>	<b>1,039</b>	<b>1,922</b>	<b>1,039</b>
<b>TOTAL NET ASSETS/(LIABILITIES)</b>		<b>268,078</b>	<b>256,054</b>	<b>269,746</b>	<b>257,126</b>
<b>FUNDS OF THE COLLEGE</b>					
	19				
<b>Endowment funds</b>		<b>245,865</b>	<b>233,586</b>	<b>247,533</b>	<b>234,658</b>
<b>Restricted funds</b>		<b>7,910</b>	<b>7,661</b>	<b>7,910</b>	<b>7,661</b>
<b>Unrestricted funds</b>					
Designated funds		12,994	12,196	12,994	12,196
General funds		3,231	3,650	3,231	3,650
Revaluation reserve		0	0	0	0
Pension reserve	23	(1,922)	(1,039)	(1,922)	(1,039)
		<b>268,078</b>	<b>256,054</b>	<b>269,746</b>	<b>257,126</b>

The financial statements were approved and authorised for issue by the Governing Body of Nuffield College on 6 November 2019

Warden: Sir A W Dilnot

Bursar: Mr T Moore

**Nuffield College**  
**Consolidated Statement of Cash Flows**  
**For the year ended 31 July 2019**

	<b>Notes</b>	<b>2019 £'000</b>	<b>2018 £'000</b>
<b>Net cash provided by (used in) operating activities</b>	26	<b>(9,096)</b>	<b>(8,573)</b>
<b>Cash flows from investing activities</b>			
Dividends, interest and rents from investments		<b>9,918</b>	8,866
Proceeds from the sale of property, plant and equipment		<b>593</b>	1,388
Purchase of property, plant and equipment		<b>(1,133)</b>	(274)
Proceeds from sale of investments		<b>20,833</b>	74,142
Purchase of investments		<b>(10,472)</b>	(62,630)
<b>Net cash provided by (used in) investing activities</b>		<b>19,739</b>	<b>21,492</b>
<b>Cash flows from financing activities</b>			
Interest paid		<b>(606)</b>	(494)
Receipt of endowment		<b>545</b>	178
<b>Net cash provided by (used in) financing activities</b>		<b>(61)</b>	<b>(316)</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>10,582</b>	<b>12,603</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b>24,937</b>	<b>12,252</b>
<b>Change in cash and cash equivalents due to exchange rate movements</b>		<b>454</b>	<b>82</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	27	<b>35,973</b>	<b>24,937</b>



**1 INCOME FROM CHARITABLE ACTIVITIES**

	<b>2019</b>	2018
	<b>£'000</b>	£'000
<b>Teaching, Research and Residential</b>		
Unrestricted funds		
Tuition fees - UK and EU students	102	103
Tuition fees - Overseas students	97	116
Other fees	7	15
Other HEFCE support	157	170
Other academic income	1,072	874
College residential income	537	615
	<b>1,972</b>	<b>1,893</b>
<b>Total Teaching, Research and Residential</b>	<b>1,972</b>	<b>1,893</b>
<b>Total income from charitable activities</b>	<b>1,972</b>	<b>1,893</b>

The above analysis includes £164k received from Oxford University from publicly accountable funds under the CFF Scheme (2018: £172k).

**2 DONATIONS AND LEGACIES**

	<b>2019</b>	2018
	<b>£'000</b>	£'000
<b>Donations and Legacies</b>		
Unrestricted funds	11	3
Restricted funds	2	2
Endowed funds	539	188
	<b>552</b>	<b>193</b>

**3 INCOME FROM OTHER TRADING ACTIVITIES**

	<b>2019</b>	2018
	<b>£'000</b>	£'000
Subsidiary company trading income	0	0
Other trading income	0	0
	<b>0</b>	<b>0</b>

**4 INVESTMENT INCOME**

	<b>2019</b>	2018
	<b>£'000</b>	£'000
<i>Unrestricted funds</i>		
Other investment income	68	71
Bank interest	0	0
	<b>68</b>	<b>71</b>
<i>Restricted funds</i>		
Other property income	0	0
Equity dividends	330	255
Interest on fixed term deposits and cash	0	1
Other interest	0	0
	<b>330</b>	<b>256</b>
<i>Endowed funds</i>		
Agricultural rent	48	48
Commercial rent	6,329	6,911
Other property income	483	54
Equity dividends	2,544	1,352
Interest on fixed term deposits and cash	957	522
Other investment income	0	0
	<b>10,361</b>	<b>8,887</b>
<b>Total Investment income</b>	<b>10,759</b>	<b>9,214</b>

5 ANALYSIS OF EXPENDITURE

	2019 £'000	2018 £'000
<b>Charitable expenditure</b>		
Direct staff costs allocated to:		
Teaching, research and residential	5,187	3,993
Other direct costs allocated to:		
Teaching, research and residential	4,269	3,735
Support and governance costs allocated to:		
Teaching, research and residential	1,233	733
<b>Total charitable expenditure</b>	<b>10,689</b>	<b>8,461</b>
<b>Expenditure on raising funds</b>		
Direct staff costs allocated to:		
Fundraising	175	136
Investment management costs	77	69
Other direct costs allocated to:		
Fundraising	72	80
Investment management costs	2,914	1,858
Support and governance costs allocated to:		
Fundraising	9	9
Investment management costs	0	0
<b>Total expenditure on raising funds</b>	<b>3,247</b>	<b>2,152</b>
<b>Total expenditure</b>	<b>13,936</b>	<b>10,613</b>

The comparative year's (2018) resources expended of £10,613k represented £8,062k from unrestricted funds, £705k from restricted funds and £1,846k from endowed funds.

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

The teaching and research costs include College Contribution payable of £165k (2018: £10k).

6 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

	Generating Funds £'000	Teaching and Research £'000	Public Worship £'000	Heritage £'000	2019 Total £'000
Financial administration	3	291	0	0	294
Domestic administration	2	194	0	0	196
Human resources	1	85	0	0	86
IT	3	335	0	0	338
Depreciation	0	295	0	0	295
Loss/(profit) on fixed assets	0	(16)	0	0	(16)
Other finance charges	0	30	0	0	30
Governance costs	0	19	0	0	19
	<b>9</b>	<b>1,233</b>	<b>0</b>	<b>0</b>	<b>1,242</b>
	Generating Funds £'000	Teaching and Research £'000	Public Worship £'000	Heritage £'000	2018 Total £'000
Financial administration	3	278	0	0	281
Domestic administration	2	193	0	0	195
Human resources	1	94	0	0	95
IT	3	304	0	0	307
Depreciation	0	285	0	0	285
Loss/(profit) on fixed assets	0	(468)	0	0	(468)
Other finance charges	0	27	0	0	27
Governance costs	0	20	0	0	20
	<b>9</b>	<b>733</b>	<b>0</b>	<b>0</b>	<b>742</b>

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

The following costs are attributed on a per capita basis:  
 Finance and administration and human resources costs  
 Depreciation costs  
 IT costs

	2019 £'000	2018 £'000
<b>Governance costs comprise:</b>		
Auditor's remuneration - audit services	15	15
Other governance costs	4	5
	<b>19</b>	<b>20</b>

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

## 7 GRANTS AND AWARDS

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

	2019 £'000	2018 £'000
<b>Unrestricted funds</b>		
Grants to individuals:		
Scholarships, prizes and grants	875	881
Bursaries and hardship awards	15	3
Grants to other institutions	3	4
<b>Total unrestricted</b>	<b>893</b>	<b>888</b>
<b>Restricted funds</b>		
Grants to individuals:		
Scholarships, prizes and grants	66	37
<b>Total restricted</b>	<b>66</b>	<b>37</b>
<b>Total grants and awards</b>	<b>959</b>	<b>925</b>

The above costs are included within the charitable expenditure on Teaching, research and residential. Grants to other institutions comprise donations to other charitable organisations.

## 8 STAFF COSTS

The aggregate staff costs for the year were as follows.

	2019 £'000	2018 £'000
Salaries and wages	4,292	3,998
Social security costs	399	379
Pension costs:		
Pension contributions	555	513
Staff costs related to pension liability	861	(39)
	<b>6,107</b>	<b>4,851</b>

### Key management remuneration

The total remuneration paid to key management was £572k (2018: £550k).

Key management are considered to be the Warden, Senior Tutor, Head of Endowment Office, Bursar and College Accountant.

The average number of employees of the College, excluding Trustees, on a full time equivalent basis was as follows:

	2019	2018
Tuition and research	36	36
College residential	36	34
Fundraising	3	3
Support	14	14
<b>Total</b>	<b>89</b>	<b>87</b>

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

	2019	2018
University Lecturers	8	9
Other teaching and research	27	28
Other	3	3
<b>Total</b>	<b>38</b>	<b>40</b>

The College also engages temporary staff and agency workers who are not on the College payroll. The following information relates to the employees of the College excluding the College Trustees. Details of the remuneration and reimbursed expenses of the College Trustees are included as a separate note in these financial statements.

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

	2019	2018
£60,001-£70,000	1	2
The number of the above employees with retirement benefits accruing was as follows:		
In defined benefits schemes	1	1

Redundancy and termination payments are accounted for in the period in which the payments were made. During the current financial year, redundancy and termination payments amounted to £42k (2018: £64k). These costs were charged to unrestricted funds.

## 9 TANGIBLE FIXED ASSETS

Group and College	Leasehold land and buildings £'000	Freehold land and buildings £'000	Plant and machinery £'000	Fixtures, fittings and equipment £'000	Total £'000
<b>Cost</b>					
At start of year	3,142	11,385	0	216	14,743
Additions	218	900	0	15	1,133
Disposals	(272)	(310)	0	0	(582)
<b>At end of year</b>	<b>3,088</b>	<b>11,975</b>	<b>0</b>	<b>231</b>	<b>15,294</b>
<b>Depreciation and impairment</b>					
At start of year	750	3,673	0	145	4,568
Depreciation charge for the year	38	210	0	47	295
Depreciation on disposals	(5)	0	0	0	(5)
Impairment	0	0	0	0	0
<b>At end of year</b>	<b>783</b>	<b>3,883</b>	<b>0</b>	<b>192</b>	<b>4,858</b>
<b>Net book value</b>					
<b>At end of year</b>	<b>2,305</b>	<b>8,092</b>	<b>0</b>	<b>39</b>	<b>10,436</b>
At start of year	2,392	7,712	0	71	10,175

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.

## 10 PROPERTY INVESTMENTS

Group and College	Agricultural £'000	Commercial £'000	Other £'000	2019 Total £'000	2018 Total £'000
Valuation at start of year	5,300	104,905	0	110,205	111,940
Additions and improvements at cost	0	2,338	0	2,338	913
Disposals	0	(14,218)	0	(14,218)	(6,569)
Revaluation gains/(losses) in the year	300	8,860	0	9,160	3,921
<b>Valuation at end of year</b>	<b>5,600</b>	<b>101,885</b>	<b>0</b>	<b>107,485</b>	<b>110,205</b>

The College directly invests in a substantial portfolio of commercial property and one agricultural holding. All the property is held in the United Kingdom except for three assets in Berlin, Germany.

A formal valuation of the agricultural property in Liverpool was prepared by Simon P Alden MRICS FAAV of Adkin as at 31 July 2019.

Formal valuations for the majority of the commercial properties were prepared as at 31 July 2019 by their respective managing agents: by Nicholas F Rees MRICS of Savills for UK property (including Worcester Street car park) and Volker Zwing of Meterhoch2! for Berlin.

The remaining commercial properties are valued five yearly and were valued as at 31 July 2015, as follows: Nuffield Estate by Emily Ham MRICS of Adkin and 10a New Road by Marriotts.

## 11 OTHER INVESTMENTS

All investments are held at fair value.

	2019 £'000	2018 £'000
<b>Group investments</b>		
Valuation at start of year	150,728	139,165
New money invested	13,432	61,678
Amounts withdrawn	(2,116)	(61,251)
(Decrease)/increase in value of investments	4,113	11,136
<b>Group investments at end of year</b>	<b>166,157</b>	<b>150,728</b>
Loan to Joint Venture (note 12)	10,760	6,600
<b>College investments at end of year</b>	<b>176,917</b>	<b>157,328</b>

Group investments comprise:	Held outside the UK £'000	Held in the UK £'000	2019 Total £'000	Held outside the UK £'000	Held in the UK £'000	2018 Total £'000
Equity investments	0	20,265	20,265	0	21,302	21,302
Global multi-asset funds	80,897	27,971	108,868	74,057	28,929	102,986
Property funds	68	0	68	93	0	93
Alternative and other investments	7,144	1,361	8,505	6,856	1,019	7,875
Fixed term deposits and cash	6,542	21,909	28,451	5,328	13,144	18,472
<b>Total group investments</b>	<b>94,651</b>	<b>71,506</b>	<b>166,157</b>	<b>86,334</b>	<b>64,394</b>	<b>150,728</b>

## 12 INVESTMENT IN JOINT VENTURE

Oxford West End Development Limited (OxWED) was incorporated in January 2016 as a joint venture between Nuffield College and Oxford City Council. Nuffield College holds a 50% share of the company. The purpose of the company is to develop and regenerate the West End area of Oxford. The objectives of the Joint Venture are aligned with Nuffield College's broader aim of promoting social science in the West End.

Nuffield College provided a loan to the joint venture of £6,600k for land purchase and working capital in 2015/16, plus an additional loan for land purchase of £4,160k in 2018/19. Interest is charged at 6.5%. Interest income of £1,780k was outstanding at 31 July 2019, in 2017/18 the comparative figure was £1,096k, (note 15).

Nuffield's interest in the joint venture is measured using the equity method of accounting in the consolidated financial statements.

Nuffield's share of the net assets of OxWED is included in the consolidated balance sheet and the net share of profit/(loss) is shown in the consolidated SoFA, and calculated as follows:

### Members' interest

#### As at 31 July 2019

	OxWED Total	Nuffield College share 50%	Oxford City Council share 50%
	£000	£000	£000
Capital classified as liability	21,520	10,760	10,760
Other reserves classified as equity	(3,336)	(1,668)	(1,668)
<b>Members' interest as at 31 July 2019</b>	<b>18,184</b>	<b>9,092</b>	<b>9,092</b>

#### As at 31 July 2018

	OxWED Total	Nuffield College share 50%	Oxford City Council share 50%
	£000	£000	£000
Capital classified as liability	13,200	6,600	6,600
Other reserves classified as equity	(2,144)	(1,072)	(1,072)
<b>Members' interest as at 31 July 2018</b>	<b>11,056</b>	<b>5,528</b>	<b>5,528</b>

OxWED

**Profit and Loss account for the year ended 31 July 2019**

	<b>2019</b>	2018
	£000	£'000
Income	394	258
Expenditure	(177)	(288)
Operating Surplus/(Loss)	<u>217</u>	<u>(30)</u>
Interest charge	(1,410)	(915)
<b>Loss from Continuing operations</b>	<b><u>(1,193)</u></b>	<b><u>(945)</u></b>
<b>Total Comprehensive Income &amp; Expenditure Loss</b>	<b><u>(1,193)</u></b>	<b><u>(945)</u></b>

**Balance Sheet**

	<b>2019</b>	2018
	£000	£'000
Fixed assets	1	0
Stocks	21,342	13,021
Debtors	11	30
Cash at bank and in hand	798	907
Current Liabilities	(3,968)	(2,902)
<b>Net assets attributable to members</b>	<b><u>18,184</u></b>	<b><u>11,056</u></b>

### 13 PARENT AND SUBSIDIARY UNDERTAKINGS

The College holds 100% of the issued share capital in Nuffield Properties Limited, which was dormant in the current and previous reporting periods.

### 14 STATEMENT OF INVESTMENT TOTAL RETURN

The Trustees have adopted a duly authorised policy of total return accounting for the College investment returns with effect from 31 July 2013. The investment return to be applied as income is calculated as a weighted average of the prior year expenditure adjusted for inflation (80%) and the amount which would have been spent using 4.30% of the previous year brought forward fund values (20%). The application of the above rule equates to a drawdown rate of 3.48% (2018 - 3.40%) of the opening balances of the relevant funds. The preserved (frozen) value of the invested endowment capital represents its open market value in 2003 together with all subsequent endowments valued at date of gift.

	Trust for Investment £'000	Permanent Endowment Unapplied Total Return £'000	Total £'000	Expendable Endowment £'000	Total Endowments £'000
<b>At the beginning of the year:</b>					
Gift component of the permanent endowment	71,133		71,133		71,133
Unapplied total return		93,015	93,015		93,015
Expendable endowment				69,438	69,438
<b>Total Endowments</b>	<b>71,133</b>	<b>93,015</b>	<b>164,148</b>	<b>69,438</b>	<b>233,586</b>
<b>Movements in the reporting period:</b>					
Gift of endowment funds	539		539		539
Investment return: total investment income		7,038	7,038	3,323	10,361
Investment return: realised and unrealised gains and losses		9,088	9,088	3,826	12,914
Less: Investment management costs		(1,268)	(1,268)	(990)	(2,258)
Less: Loan interest payable		(424)	(424)	(182)	(606)
Other transfers		(529)	(529)		(529)
Net profit/(loss) in relation to joint venture				(596)	(596)
<b>Total</b>	<b>539</b>	<b>13,905</b>	<b>14,444</b>	<b>5,381</b>	<b>19,825</b>
Unapplied total return allocated to income in the reporting period		(3,144)	(3,144)	0	(3,144)
Expendable endowments transferred to income			0	(4,402)	(4,402)
	<b>0</b>	<b>(3,144)</b>	<b>(3,144)</b>	<b>(4,402)</b>	<b>(7,546)</b>
<b>Net movements in reporting period</b>	<b>539</b>	<b>10,761</b>	<b>11,300</b>	<b>979</b>	<b>12,279</b>
<b>At end of the reporting period:</b>					
Gift component of the permanent endowment	71,672	0	71,672		71,672
Unapplied total return		103,776	103,776		103,776
Expendable endowment				70,417	70,417
<b>Total Endowments</b>	<b>71,672</b>	<b>103,776</b>	<b>175,448</b>	<b>70,417</b>	<b>245,865</b>



**15 DEBTORS**

	<b>2019 Group £'000</b>	<b>2018 Group £'000</b>	<b>2019 College £'000</b>	<b>2018 College £'000</b>
<b>Amounts falling due within one year:</b>				
Trade debtors	912	6,551	912	6,551
Amounts owed by College members	2	10	2	10
Amounts owed by joint venture	1,780	1,096	1,780	1,096
Loans repayable within one year	4	5	4	5
Prepayments and accrued income	634	498	634	498
Other debtors	17	0	17	0
<b>Amounts falling due after more than one year:</b>				
Loans	0	0	0	0
	<b>3,349</b>	<b>8,160</b>	<b>3,349</b>	<b>8,160</b>

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

	<b>2019 Group £'000</b>	<b>2018 Group £'000</b>	<b>2019 College £'000</b>	<b>2018 College £'000</b>
Trade creditors	1,074	656	1,074	656
Amounts owed to College Members	1	1	1	1
Holiday pay accrual	37	37	37	37
Taxation and social security	186	1,136	186	1,136
College contribution	165	0	165	0
Accruals and deferred income	602	475	602	475
Other creditors	169	71	169	71
	<b>2,234</b>	<b>2,376</b>	<b>2,234</b>	<b>2,376</b>

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

	<b>2019 Group £'000</b>	<b>2018 Group £'000</b>	<b>2019 College £'000</b>	<b>2018 College £'000</b>
Bank loans	31,881	31,862	31,881	31,862
	<b>31,881</b>	<b>31,862</b>	<b>31,881</b>	<b>31,862</b>

A loan of £32 million was arranged in 2014/15 with Royal Bank of Scotland to (i) fund the acquisition of Investment Properties in Oxford and (ii) refinance the existing bank loans. The loan is repayable at the end of 10 years (2025) and may be repaid earlier.

The interest rate is 1% above LIBOR.

The loan is measured at amortised cost using the effective interest method.

The loan arrangement fee of £193k has been treated as a deduction from the amount of the principal advanced and the effective interest rate on the loan has been calculated to reflect the arrangement fee being amortised over the loan period.

**18 PROVISIONS FOR LIABILITIES AND CHARGES**

	<b>2019 Group £'000</b>	<b>2018 Group £'000</b>	<b>2019 College £'000</b>	<b>2018 College £'000</b>
At start of year	0	0	0	0
Charged in the Statement of Financial Activities	0	0	0	0
Settled in the year	0	0	0	0
<b>At end of year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

19 ANALYSIS OF MOVEMENTS ON FUNDS

	At 1 August 2018 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2019 £'000
<b>Endowment Funds - Permanent</b>						
General	76,886	3,622	(1,278)	(2,675)	4,172	80,727
Nuffield College Trust	62,536	2,334		-	3,740	68,610
Guardian Fellowship Fund	2,122	92	(35)	(92)	100	2,187
GS Pollard Memorial Bursary	196	8	(3)	(8)	9	202
Ford Foundation Endowment	11,451	495	(190)	(495)	537	11,798
Gwilym Gibbon Bequest	5,620	243	(94)	(195)	263	5,837
Arthur Goodhart Fund	473	21	(8)	(20)	21	487
Andrew Mellon	1,581	68	(27)	(68)	74	1,628
PM Williams Memorial Appeal	119	5	(2)	(5)	6	123
Jemolo Research Fellowship	1,142	49	(19)	(49)	54	1,177
Oxford Graduate Scholarship Funds	2,022	641	(36)	(66)	111	2,672
<b>Subtotal (Permanent endowment)</b>	<b>164,148</b>	<b>7,578</b>	<b>(1,692)</b>	<b>(3,673)</b>	<b>9,087</b>	<b>175,448</b>
<b>Endowment Funds - Expendable</b>						
General	63,055	3,285	(1,159)	(8,562)	3,787	60,406
Endowment funds invested in joint venture	6,600			4,160		10,760
Oxford Graduate Scholarship Funds	855	37	(13)		40	919
<b>Subtotal (Expendable endowment)</b>	<b>70,510</b>	<b>3,322</b>	<b>(1,172)</b>	<b>(4,402)</b>	<b>3,827</b>	<b>72,085</b>
<b>Total Endowment Funds - College</b>	<b>234,658</b>	<b>10,900</b>	<b>(2,864)</b>	<b>(8,075)</b>	<b>12,914</b>	<b>247,533</b>
Movement of endowment funds invested in JV	(1,072)				(596)	(1,668)
<b>Total Endowment Funds - Group</b>	<b>233,586</b>	<b>10,900</b>	<b>(2,864)</b>	<b>(8,075)</b>	<b>12,318</b>	<b>245,865</b>
<b>Restricted Funds</b>						
Guardian Fellowship Fund	422	18	(15)	92	20	537
GS Pollard Memorial Bursary	236	11	(5)	8	11	261
Ford Foundation Endowment	2,487	107	(137)	259	117	2,833
Gwilym Gibbon Bequest	2,238	97	(687)	0	104	1,752
Arthur Goodhart Fund	1,228	53	(26)	20	58	1,333
Andrew Mellon	242	10	(16)	30	11	277
PM Williams Memorial Appeal	98	4	(3)	5	5	109
Jemolo Research Fellowship	634	27	(16)	49	30	724
Studentship Appeal and Studentship Support	15	2	0	0	0	17
Oxford Graduate Scholarship Funds	61	3	(66)	66	3	67
<b>Total Restricted Funds - College</b>	<b>7,661</b>	<b>332</b>	<b>(971)</b>	<b>529</b>	<b>359</b>	<b>7,910</b>
Restricted funds held by subsidiaries	0	0	0	0	0	0
<b>Total Restricted Funds - Group</b>	<b>7,661</b>	<b>332</b>	<b>(971)</b>	<b>529</b>	<b>359</b>	<b>7,910</b>
<b>Unrestricted Funds</b>						
General funds	3,650	2,032	(9,619)	7,168		3,231
Fixed asset designated fund	10,175		(295)	556		10,436
Other designated funds	2,021	19	(187)	705		2,558
Pension reserve	(1,039)			(883)		(1,922)
<b>Total Unrestricted Funds - College</b>	<b>14,807</b>	<b>2,051</b>	<b>(10,101)</b>	<b>7,546</b>	<b>0</b>	<b>14,303</b>
Unrestricted funds held by subsidiaries	0	0	0	0	0	0
<b>Total Unrestricted Funds - Group</b>	<b>14,807</b>	<b>2,051</b>	<b>(10,101)</b>	<b>7,546</b>	<b>0</b>	<b>14,303</b>
<b>Total Funds</b>	<b>256,054</b>	<b>13,283</b>	<b>(13,936)</b>	<b>0</b>	<b>12,677</b>	<b>268,078</b>

## 20 FUNDS OF THE COLLEGE DETAILS

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

### Endowment Funds - Permanent:

	<u>Sources/Origins</u>	<u>Purposes</u>
General endowment	Lord Nuffield's Benefaction Nuffield Foundation	To provide a College for postgraduate work especially in the study of social (including economic and political) problems.
Nuffield College Trust		A bare Trust established for the purpose of investing in the Oxford Funds, administered by OUem. The capital and income are treated in the same way and subject to the same restrictions as the general endowment.
Guardian Research Fellowship	The Scott Trust	Research by persons with experience in the print and broadcast media.
GS Pollard Memorial Bursary	CIPFA	To provide for studentship or research funding into modern developments in public finance.
Ford Foundation Endowment	The Ford Foundation	Supports Fellows of the College in the field of politics, with particular reference to European politics
Gwilym Gibbon Bequest	Sir I. Gwilym Gibbon	For the study of the problems of Government.
Arthur Goodhart Fund	Professor Goodhart, (organised by the Association of American Rhodes Scholars)	Provides for travel grants to and from North America.
Andrew Mellon Fund	The Andrew W. Mellon Foundation	Supports scholarly activities in conjunction with the Andrew Mellon Professorship, and the field of American Government.
PM Williams Memorial Appeal	Appeal issued in 1984, administered by Nuffield College	Student support, and Library expenditure.
Jemolo Research Fellowship	The Bank of Italy, the Banca Commerciale Italiana, the Banco di Santo Spirito, The Istituto S. Paolo di Torino and the Assicurazioni Generali	A visiting Fellowship by persons whose field of research is Italy.
Oxford Graduate Scholarship Funds	J.Hausman, Swire Educational Trust and others	Five Trust Funds, the purpose of which is to pay some or all of the University and College fees together with a maintenance grant. The original capital cannot be spent.

### Endowment Funds - Expendable:

#### General

Lord Nuffield's Bequest	To provide additional funds to support the College for postgraduate work especially in the study of social (including economic and political) problems.
Sir Norman Chester's Bequest	
P.M. Williams' Bequest	
Endowment funds invested in joint venture	Note 12
Oxford Graduate Scholarship Funds	College matched studentship funding allocation

### Restricted Funds:

The following funds represent unspent income from the respective endowment fund:

Guardian Research Fellowship	Annual appeal organised by Nuffield College	For student financial support
GS Pollard Memorial Bursary		
Ford Foundation Endowment		
Gwilym Gibbon Bequest		
Arthur Goodhart Fund		
Andrew Mellon Fund		
PM Williams Memorial Appeal		
Jemolo Research Fellowship		
Oxford Graduate Scholarship Funds		
Studentship Appeal and Studentship Support		

### Designated Funds

Fixed asset designated fund	Unrestricted Funds which are represented by the fixed assets of the College and therefore not available for expenditure on the College's general purposes
Other designated funds	Unrestricted Funds allocated by the Fellows for future costs of specific research projects.
Pension reserve	Unrestricted Funds, in accordance with FRS 102, representing the defined benefit pension scheme liability

The General Unrestricted Funds represent accumulated income from the College's activities and other sources that are available for the general purposes of the College.

21 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2019 Total £'000
Tangible fixed assets	10,436	0	0	10,436
Property investments	0	0	107,485	107,485
Other investments	0	7,910	158,247	166,157
Investment in joint venture	0	0	9,092	9,092
Net current assets	5,789	0	2,922	8,711
Long term liabilities	0	0	(31,881)	(31,881)
Pension scheme liability	(1,922)	0	0	(1,922)
	<u>14,303</u>	<u>7,910</u>	<u>245,865</u>	<u>268,078</u>

  

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2018 Total £'000
Tangible fixed assets	10,175	0	0	10,175
Property investments	0	0	110,205	110,205
Other investments	0	7,661	143,067	150,728
Investment in joint venture	0	0	5,528	5,528
Net current assets	5,671	0	6,648	12,319
Long term liabilities	0	0	(31,862)	(31,862)
Pension scheme liability	(1,039)	0	0	(1,039)
	<u>14,807</u>	<u>7,661</u>	<u>233,586</u>	<u>256,054</u>

## 22 TRUSTEES' REMUNERATION

The trustees of the College comprise the permanent Governing Body Fellows who sit on governing body by virtue of their employment.

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

Changes in remuneration are scrutinised by the Fellows' Remuneration Review Committee.

Trustees of the College fall into the following categories:

Professorial Fellow

Official Fellow

Research Fellow

There are also three trustees, the Warden, the Bursar and the Senior Tutor, who work full time on management.

Trustees are eligible for participation in the College housing scheme and 18 trustees live in houses owned jointly by the College as at 31 July 2019.

Some trustees receive additional allowances for additional work carried out as part time College officers, e.g. Dean. These amounts are included within the remuneration figures below.

### Remuneration paid to trustees

	2019		2018	
Range	Number of Trustees / Fellows	Gross remuneration, taxable benefits and pension contributions £	Number of Trustees / Fellows	Gross remuneration, taxable benefits and pension contributions £
£Nil	1	0	2	0
£1,000-£4,999	0	0	3	11,531
£5,000-£9,999	0	0	1	5,807
£10,000-£14,999	0	0	1	10,958
£15,000-£19,999	5	115,201	0	0
£20,000-£24,999	10	279,009	4	88,420
£25,000-£29,999	5	167,980	15	415,405
£30,000-£34,999	4	148,064	4	132,451
£45,000-£49,999	1	49,505	0	0
£55,000-£59,999	3	158,052	1	56,742
£75,000-£79,999	1	77,837	0	0
£90,000-£94,999	0	0	2	185,197
£95,000-£99,999	1	96,094	2	194,689
£105,000-£109,999	2	215,539	2	215,163
£115,000-£119,999	3	332,615	0	0
£120,000-£124,999	0	0	1	120,463
£135,000-£139,999	0	0	1	139,338
£145,000-£149,999	2	291,916	0	0
£170,000-£174,999	0	0	1	173,787
Total	38	1,931,812	40	1,749,951

The amounts disclosed above include only payments made by the College; some trustees are paid jointly by the College and the University of Oxford.

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

### Other transactions with trustees

No trustee claimed expenses for any work performed in discharge of duties as a trustee.

See also note 30 Related Party Transactions.

## 23 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 the schemes are each held in separate trustee-administered funds. USS and OSPS schemes 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 Statement of Financial Activities 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, 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.

However, in OSPS the amount of any pension funding shortfall in respect of any withdrawing participating employer will be charged to that employer.

### Schemes accounted for under FRS 102 paragraph 28.11 as defined contribution schemes

#### Actuarial valuations

Qualified actuaries periodically value the USS and OSPS schemes using the 'projected unit method', embracing a market value approach. The resulting levels of contribution take account of actuarial surpluses or deficits in each scheme. The financial assumptions were derived from market conditions prevailing at the valuation date. The results of the latest actuarial valuations and the assumptions which have the most significant effect on the results.

	USS	OSPS
Date of valuation:	31/03/17	31/03/16
Date valuation results published:	28/01/19	28/04/17
Value of liabilities:	£67.5bn	£661m
Value of assets:	£60.0bn	£528m
Funding surplus / (deficit):	(£7.5bn) <sup>a</sup>	(£133m) <sup>b</sup>
Principal assumptions:		
	CPI – 0.53%	
	to CPI –	
• Investment return	1.32%pa <sup>c</sup>	-
		'Gilts' +
• Rate of interest (periods up to retirement)	-	1.2%pa
• Rate of interest (periods up after retirement)	-	'Gilts' +
		1.2%pa
• Rate of increase in salaries	CPI + 2% pa	RPI + 1% pa
• Rate of increase in pensions	CPI pa <sup>d</sup>	Average RPI/CPI pa
Mortality assumptions:		
• Assumed life expectancy at age 65 (males)	24.5 yrs	22.4 yrs
• Assumed life expectancy at age 65 (females)	26.0 yrs	24.7 yrs
Funding Ratios:		
• Technical provisions basis	89%	80%
• Statutory Pension Protection Fund basis	72%	67%
• 'Buy-out' basis	48%	42%
• Estimated FRS 102 Total Funding level	77%	82%
	18%	23%
Recommended employer's contribution rate (as % of pensionable salaries):	increasing to 24.2% by 01/04/20 <sup>e</sup>	decreasing to 19% from 01/08/2017 <sup>f</sup>
Effective date of next valuation:	31/03/18	31/03/19

a. USS' actuarial valuation as at 31 March 2017 takes into account the revised benefit structure effective 1 April 2016 agreed both by the Joint Negotiating Committee and the Trustee in July 2015 following the Employers' consultation which concluded in June 2015. Key changes agreed include: for Final Salary section members, the benefits built up to 31 March 2016 were calculated as at that date using pensionable salary and pensionable service immediately prior to that date and going forwards will be revalued in line with increases in official pensions (currently CPI); all members accrue a pension of 1/75th and a cash lump sum of 3/75ths of salary each year of service in respect of salary up to a salary threshold, initially £55,000 p.a., with the threshold applying from 1 October 2016; member contributions were 8% of salary but will increase in stages from 1 April 2019 to a level of 11.7% from 1 April 2020; a defined contribution benefit for salary above the salary threshold at the total level of 20% of salary in excess of the salary threshold. Further details about the benefits may be reviewed on USS' website, [www.uss.co.uk](http://www.uss.co.uk). For the period up to 1 April 2016 the employer deficit contribution was 0.7% p.a. of salaries based on the assumptions made. After allowing for those changes, the actuary established an employer contribution rate of 18% pa of salaries for the period from 1 April 2016 to 31 March 2019, 19.5% from 1 April to 30 September 2019, 22.5% from 1 October 2019 to 31 March 2020 and a long-term rate of 24.2%. On the assumptions made and with the salary threshold and defined contribution section implemented this gives rise to deficit contributions of at least 5% p.a. of salaries from 1 April 2020. At 31 March 2019 USS reported that the estimated funding deficit was £5.7bn (92% funded).

b. OSPS' actuarial valuation as at 31 March 2016 identified a required long-term employer contribution rate of 17.3% of total pensionable salaries, with a funding deficit of £133 m. The valuation results reflect a number of changes to benefits that were agreed following an Employers' consultation in early 2017, including from 1 April 2017 a change in indexation based on the average of RPI and CPI, from 1 October 2017 a defined contribution section for new entrants and from 1 April 2018 breaking the final salary link for certain members and increased employee contributions. The actuary has certified that the recovery plan should eliminate the deficit by 30 June 2027. The next triennial valuation is due with an effective date of 31 March 2019.

c. USS' actuary has assumed that the investment return is CPI – 0.53% in year 1, decreasing linearly to CPI – 1.32% over 10 years, CPI + 2.56% from year 11 reducing linearly to CPI + 1.7% by year 21, remaining at CPI + 1.7%.

d. USS' actuary has assumed that general pay growth will be CPI +2% in year 1, CPI + 2% in year 2 and thereafter. It is assumed that CPI is based on the RPI assumption (market derived price inflation of 3.6% p.a. less an inflation risk premium) less RPI/CPI gap of 1.0% p.a.

e. The total USS employer contributions of 18% of salaries include provisions for the cost of future accrual of defined benefits (DB) (net of member contributions to the DB section), deficit contributions, administrative expenses of 0.4% of salaries and from the implementation of the salary threshold the employer contribution towards defined contribution benefits including employer matching contributions and certain investment management costs relating to the DC section. The 2017 actuarial valuation was the fourth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £60.0 billion and the value of the scheme's technical provisions was £67.5 billion indicating a shortfall of £7.5 billion and a funding ratio of 89%.

f. As noted above (note b), the OSPS employer contribution rate required for future service benefits in the defined benefit section alone is 17.3% of total pensionable salaries from 1 April 2018. The employer contribution rate was 23% from 1 August 2016 to 31 July 2017. It was agreed that employer contribution rate would be 19% for both defined benefits members and defined contributions members who join on or after 1 October 2017. Part of contribution for defined contribution members would be paid to the defined benefit section to cover the deficit recovery plan, the provision of ill-health and death-in service benefits and the expenses of administering the defined contribution section.

#### **Sensitivity of actuarial valuation assumptions**

Surpluses or deficits which arise at future valuations may impact on the College's future contribution commitment. The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

<b>Assumption</b>	<b>USS Change in assumption</b>	<b>Impact on USS liabilities</b>
Initial discount rate	increase / reduce by 0.25%	decrease / increase by £3.3bn
Asset values	reduce by 10%	increase by £6.0bn
RPI inflation	increase / reduce by 0.25%	increase / decrease by £3.3bn
Rate of mortality	more prudent assumption (mortality used at last valuation, rated down by a further year)	increase by £1.6bn

Assumption	OSPS Change in assumption	Impact on OSPS technical provisions (from 80% funded at 31/03/2016)
Valuation rate of interest	decrease by 1.0%	68%
Rate of pension increases	increase by 1.0%	69%
Life expectancy	more prudent assumption (life expectancy increases by 3 years)	72%

#### Deficit Recovery Plans

In line with FRS 102 paragraph 28.11A, the College has recognised a liability for the contributions payable for the agreed deficit funding plan. The principle assumptions used in these calculations are tabled below:

	OSPS	USS
Finish Date for Deficit Recovery Plan	30/06/27	30/06/34
Average staff number increase	1.00%	1.00%
Average staff salary increase	2.00%	1.80%
Average discount rate over period	3.00%	3.25%
Effect of 0.5% change in discount rate:		
+ 0.5%	(£8k)	(£61k)
- 0.5%	£9k	£64k
Effect of 1% change in staff growth:		
+ 1%	£23k	£133k
- 1%	(£22k)	(£122k)

A provision of £1,922k has been made at 31 July 2019 (2018: £1,039k) for the present value of the estimated future deficit funding element of the contributions payable under these agreements, using the assumptions shown. The provision reduces as the deficit is paid off according to the pension recovery scheme.

#### 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	2019	2018
	£000's	£000's
Universities Superannuation Scheme	421	389
University of Oxford Staff Pension Scheme	134	124
Other schemes – contributions	0	0
<b>Total</b>	<b>555</b>	<b>513</b>

Included in other creditors are pension contributions payable of £nil (2018: £nil).

A copy of the full actuarial valuation report and other further details on the scheme are available on the relevant website: [www.uss.co.uk](http://www.uss.co.uk), [www.nhsbsa.nhs.uk/Pensions](http://www.nhsbsa.nhs.uk/Pensions), [www1.admin.ox.ac.uk/finance/epp/pensions/schemes/osps](http://www1.admin.ox.ac.uk/finance/epp/pensions/schemes/osps), [www.saul.org.uk](http://www.saul.org.uk).

#### The Universities Superannuation Scheme - 2018 actuarial valuation

The latest available complete actuarial valuation of the Retirement Income Builder section of the Scheme is at 31 March 2017 ("the valuation date"), which was carried out using the projected unit method. As at the year end a valuation as at 31 March 2018 was underway but not yet complete.

The 2018 actuarial valuation was finalised after the year end which indicated a shortfall of £3.6 billion.

Since the year end, following the completion of the 2018 actuarial valuation, a new deficit recovery plan has been agreed. This amends the existing deficit recovery plan as set out in the 2017 valuation Schedule of Contributions. This new plan requires deficit payments of 2% of salaries from 1 October 2019 to 30 September 2021 and then payments of 6% of salaries from 1 October 2021 to 31 March 2028. As at 31 July 2019 and assuming all other assumptions used to calculate the provision remain unchanged, this would have resulted in a revised provision of £957k, a decrease of £610k from the current year end provision.



## 24 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.

## 25 FINANCIAL INSTRUMENTS

The carrying values of the College's financial assets and liabilities are summarised by the following categories:

	Note	2019 £'000	2018 £'000
<b>Financial Assets</b>			
<i>Measured at fair value through profit or loss</i>			
Investments	11	166,157	150,728
<i>Measured at undiscounted amount receivable</i>			
Trade and other debtors	15	3,349	8,160
<b>Financial Liabilities</b>			
<i>Measured at undiscounted amount payable</i>			
Trade and other creditors	16	2,234	2,376
<i>Measured at amortised cost</i>			
Bank loan	17	31,881	31,862

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

	<b>2019 Group £'000</b>	2018 Group £'000
<b>Net income/(expenditure)</b>	12,620	15,744
Elimination of non-operating cash flows:		
Investment income	(10,759)	(9,214)
(Gains)/losses in investments	(13,273)	(15,057)
Endowment donations	(539)	(188)
Depreciation	295	285
Financing costs	606	494
(Surplus)/loss on sale of fixed assets	(16)	(468)
Decrease/(Increase) in stock	(4)	10
Decrease/(Increase) in debtors	1,152	(625)
(Decrease)/Increase in creditors	(61)	466
(Decrease)/Increase in provisions	0	0
(Decrease)/Increase in pension scheme liability	883	(20)
<b>Net cash provided by (used in) operating activities</b>	<b>(9,096)</b>	<b>(8,573)</b>

**27 ANALYSIS OF CASH AND CASH EQUIVALENTS**

	<b>2019 £'000</b>	2018 £'000
Cash at bank and in hand	7,522	6,465
Investment asset cash	28,451	18,472
Bank overdrafts	0	0
<b>Total cash and cash equivalents</b>	<b>35,973</b>	<b>24,937</b>

**28 FINANCIAL COMMITMENTS**

At 31 July 2019 the College had no annual commitments under non-cancellable operating leases.

**29 CAPITAL COMMITMENTS**

The College had contracted commitments at 31 July 2019 for future capital projects totalling £7,254k (2018 - £9,570k).

### 30 RELATED PARTY TRANSACTIONS

The College is part of the collegiate University of Oxford. Material interdependencies between the University and of the College arise as a consequence of this relationship. For reporting purposes, the University and the other Colleges are not treated as related parties as defined in FRS 102.

Members of the Governing Body, who are the trustees of the College and related parties as defined by FRS 102, receive remuneration and facilities as employees of the College. Details of these payments and reimbursed expenses as trustees are disclosed separately in these financial statements.

As at 31 July 2019, the College had properties with the following net book values owned jointly with fellows under joint equity ownership agreements between the fellows and the College. Those fellows who were trustees as at 31 July 2019 are marked with an asterisk in the list below.

	2019 £'000	2018 £'000
R Allen	156	156
S Bond*	159	159
R Breen*	293	293
S Broadberry*	101	101
M Browning	0	266
J Darwin	281	289
M Ellison*	374	374
A Eggers*	415	415
G Evans*	608	608
D Gallie	111	111
E Gonzalez Ocantos*	227	227
J Green*	218	0
G Hughes	0	302
R Kashyap*	289	0
E Kechagia-Ovseiko*	327	327
P Klemperer* and M Meyer*	222	222
C Laborde*	141	141
K MacDonald	173	173
M Mills*	414	414
C Monden*	210	210
T Moore*	300	300
D Rueda*	179	179
D Snidal*	313	313
<b>Total net book value of properties owned jointly with trustees</b>	<b>5,511</b>	<b>5,580</b>

All joint equity properties are subject to sale if the Fellow ceases to be a member of the College (or of an equivalent institution with Oxford University) other than at retirement.

The Fellows pay compensation to the College on the College owned share of the properties, at a rate of 1% of the original College equity, indexed by CPIH.

During the course of the year, two participants of the housing scheme who were also fellows of the College bought out the College's share of their respective properties. The Fellows and the market values of the College's share of the properties bought out were as follows:

G Hughes £266k  
M Browning £320k

In each case, a professional valuation was obtained from an independent Chartered Surveyor in order to establish the market value of the property and therefore the College's share of it.

### 31 CONTINGENT LIABILITIES

There were no contingent liabilities which require disclosure.

### 32 POST BALANCE SHEET EVENTS

As set out in note 23 in respect of the USS pension scheme, a new Schedule of Contributions based on the 2018 actuarial valuation has been agreed. This results in a decrease of £610k in the provision for the obligation to fund the deficit on the USS pension which would instead be £957k. This adjustment will be reflected in the College's Financial Statements for the year ended 31 July 2020.

