

Charity Registration No. 1143479

# Worcester College

Annual Report and Financial Statements

Year ended 31 July 2021

**WORCESTER COLLEGE**  
**Annual Report and Financial Statements**  
**Contents**

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Governing Body, Officers and Advisers	2 - 4
Report of the Governing Body	5 - 14
Auditor's Report	15 - 18
Statement of Accounting Policies	19 - 23
Consolidated Statement of Financial Activities	24
Consolidated and College Balance Sheets	25
Consolidated Statement of Cash Flows	26
Notes to the Financial Statements	27 - 43

## WORCESTER COLLEGE

### Governing Body, Officers and Advisers

Year ended 31 July 2021

#### MEMBERS OF THE GOVERNING BODY

The Members of the Governing Body are the College's charity trustees under charity law. The members of the Governing Body, who served in office as trustees during the financial year, or subsequently during the period until September 30<sup>th</sup> 2021, are listed below together with details for those who also held College Officerships:

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Mr David Isaac	Provost appointed 1-7-21									
Dr Simon Cowan				•	•					
Dr Peter Darrah	Vice Provost retired 30-6-21	•	•	•	•		•			•
Prof Kate Tunstall	Interim Provost (to 30-6-21) Vice Provost (from 1-7-21)	•		•	•	•	•	•		
Prof Robert Saxton					•		•			
Prof Donal Nolan				•	•					
Dr Nir Vulkan			•		•					
Prof Andrew Carr									•	
Dr Ben Morgan					•	•				
Dr John Parrington				•	•					
Dr Richard Earl					•				•	
Dr Scott Scullion	Senior Tutor (to 31-8-21)	•		•	•		•	•		•
Prof Deborah Cameron									•	
Prof Josephine Quinn										
Prof Andreas Willi										
Prof Julian Roberts	Garden Master					•				
Prof Endre Süli		•			•					
Prof Robert Gildea	Retired 30-9-20									
Prof Grant Ritchie					•			•		
Prof Bob Harris	Senior Treasurer of Clubs		•		•					
Dr Paul Azzopardi	Dean				•	•				•
Dr Mark Howarth					•	•				
Dr David Steinsaltz					•	•				
Dr Conrad Leyser					•					
Prof Laura Ashe	Tutor for Admissions (to 31-8-21)				•			•		
Prof Gabriel Stylianides				•						
Prof Kim Dora					•	•				
Dr Antonis Papachristodoulou		•			•					
Dr Michail Peramatzis					•					
Dr Zofia Stemplowska				•	•	•		•		
Prof Felix Parra Diaz	Demitted 5-9-21	•			•			•		
Dr Afifi al-Akiti										
Prof Sadie Creese										
Dr James Edwards					•		•			
Prof Andrew Stephen		•								
Mrs Coleen Day	Development Strategy Fellow retired 30-9-20									
Mr Mark Bainbridge	Fellow Librarian	•								•
Rev Dr Tess Kuin Lawton	Chaplain Tutor for Women (to 31-8-20)				•					•
Dr Alexander Sturgis										

## WORCESTER COLLEGE

### Governing Body, Officers and Advisers

Year ended 31 July 2021

#### MEMBERS OF THE GOVERNING BODY (continued)

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Dr Peta Fowler					•	•				
Dr Alice Violet					•					
Dr Andrzej Murawski					•					
Dr Ton van den Bremer	Demitted 31-12-20	•			•					
Dr Robert Smith		•			•					
Dr Hauke Marquardt					•	•				
Dr Merve Emre					•	•				
Mr Gareth Prior	Finance & Estates Bursar demitted 30-9-21	•	•			•	•			•
Dr Marchella Ward	Tinsley Outreach Fellow				•		•			•
Dr Lisa Wedding					•					
Dr Michael Mayo	Tutor for Graduates (1-9-20 to 31-8-21) Equalities Officer (from 1-10-20)				•					•
Dr Laura Quick	Tutor for Women (from 21-2-21)				•					•
Dr Leah Trueblood					•					
Dr Natalia Waights-Hickman					•					
Prof Tsilly Dagan		•								
Ms Kate Foley	Development Director	•					•			
Prof Iain McCulloch	Appointed 19-7-20				•					
Prof Daniel Neyland	Senior Tutor appointed 1-9-21									

During the year the activities of the Governing Body were carried out through nine principal committees. Membership of these committees of governance during the year is shown above for each Fellow.

- (1) Finance Committee, which also includes 2 senior members of staff and 1 external member
- (2) Investment, which is a sub-committee of Finance Committee, and also includes 1 senior member of staff and 3 external members
- (3) Academic Strategy Committee, which also includes 1 member of staff
- (4) Tutors' Committee, which also includes Director of Visiting Student Programme, Chaplain, Career Development teaching JRFs, lecturers with tutorial responsibilities during Fellows' sabbatical leave
- (5) Domus Committee, which also includes 3 senior members of staff
- (6) Development and External Relations Committee, which also includes 2 external members
- (7) Nominating Committee
- (8) Audit and Risk Committee, which has an external chair and a further 3 external members
- (9) Human Resources Committee, which also includes 1 external member

Other business is conducted through further committees:

Remuneration Committee has 2 internal and 3 external members.

Further committees are primarily concerned with managing or administering a service; Chapel Committee, Gardens & Grounds Committee, Library Committee, IT Committee, Housing & Accommodation Committee, Buildings Committee and Travel Grants Committee.

The Joint Consultative Committee comprising membership from Governing Body, senior staff and Officers of the Middle and Junior Common Rooms discusses matters affecting Middle and Junior Common Room members. Such matters include (but are not limited to) the domestic management of the College, food service provision, and sports and recreational facilities.

Membership details for all committees are available on request.

## **WORCESTER COLLEGE**

### **Governing Body, Officers and Advisers**

Year ended 31 July 2021

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#### **COLLEGE SENIOR STAFF**

The senior staff of the College to whom day to day management is delegated are:

Mr Mark Bainbridge	Librarian
Mrs Coleen Day	Development Strategy Fellow (to 30-9-20)
Jaine Fitzpatrick	Home Bursar (to 31-12-20)
Ms Kate Foley	Development Director
Ms Heidi Madden	Home Bursar (from 6-9-21)
Prof Daniel Neyland	Senior Tutor (from 1-9-21)
Mr Richard Noonan	Head of Works
Ms Patricia Pease	College Accountant
Mr Gareth Prior	Finance and Estates Bursar (to 30-09-21)
Mr Wilf Stephenson	Interim Finance and Estates Bursar (from 27-09-21)

#### **COLLEGE ADVISERS**

##### **Investment managers**

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

##### **Auditor**

Moore Kingston Smith LLP  
Devonshire House  
60 Goswell Road  
London  
EC1M 7AD

##### **Bankers**

The Royal Bank of Scotland  
Customer Service Centre  
Drummond House  
1 Redheughs Avenue  
Edinburgh  
EH12 9JN

##### **Surveyor**

Carter Jonas  
Mayfield House  
256 Banbury Road  
Summertown  
Oxford, OX2 7DE

#### **COLLEGE ADDRESS**

Worcester College  
Walton Street  
Oxford  
OX1 2HB

##### **College website**

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

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

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

## **REFERENCE AND ADMINISTRATIVE INFORMATION**

The Provost, Fellows & Scholars of Worcester College in the University of Oxford, which is known as Worcester College, (“the College”) is an eleemosynary chartered charitable corporation aggregate. It was founded through a legacy of Sir Thomas Cookes Bt. under a Royal Charter of Queen Anne dated 1714. The corporation comprises the Provost and Fellows. The College is registered under the Charity Commission (registered number 1143479).

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**

Until 13 December 2011, the College was governed by its Statutes dated 21 December 1966. Notice of new Statutes to alter and amend the Statutes of the College, passed at meetings of the Governing Body and approved by the University, were submitted for the approval of Her Majesty in Council. Her Majesty, having taken the Statute into consideration by and with the advice of Her Privy Council approved the revisions to the existing Statutes on 14 December 2011.

### **Governing Body**

The Governing Body is constituted and regulated in accordance with the College Statutes, the terms of which are enforceable ultimately by the Visitor, who is the Master of the Rolls on behalf of the Crown. New Governing Body fellows are appointed by the existing trustees, for specified periods of time or until retirement. New members of the Governing Body are elected on the basis of expertise in their particular field.

The Governing Body devises and approves the College’s strategy and oversees its administration and also the management of its finances and assets. It meets regularly under the chairmanship of the Provost.

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

New Members of the Governing Body are normally recruited by open application and interview and are inducted into the workings of the College, including Governing Body policy and procedures, by means of being provided with a copy of the College Statutes, the Fellows’ Handbook, Charity Commission Guidance Notes and informal discussions with colleagues.

Training courses and information to keep members of the Governing Body informed about current issues in the sector and on regulatory requirements are kept under review and offered, as appropriate.

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

Members of the Governing Body, who are primarily Fellows, are teaching and research employees of the College and receive no remuneration or benefits from their trusteeship of the College. Those trustees that are also employees of the College receive remuneration for their work as employees of the College. This is set based on the advice of the College’s Remuneration Committee, which has a majority of external members. Where possible, remuneration is set in line with that awarded to the University’s academic staff.

The remuneration of senior college staff is approved by Governing Body on the recommendation of the Remuneration Committee.

### **Organisational management**

The members of the Governing Body normally meet six times a year, with the provision for an additional 3 extraordinary meetings, if required. Governing Body has established a series of committees to attend to and advise upon the wide range of matters for which Trustees are accountable:

- **Finance Committee (meets twice per term or more frequently if needed)**  
The Finance Committee is responsible for business related to the financial management of the College, including financial strategy, monitoring of financial performance and consideration of requests for expenditure. The Committee meets twice per term and more frequently if needed. A sub-committee of the Finance Committee, the Investment Sub-Committee, meets once each term to consider the College's investment strategy.
- **Audit and Risk Committee (meets once per term)**  
This committee oversees audit and risk management across the College, recommends the appointment of auditors, scrutinises the College's risk register and risk management activities, and scrutinises the financial statements and audit report for recommendation to Governing Body.
- **Academic Strategy Committee (meets as needed)**  
This committee has responsibility for monitoring and developing the medium and long-term academic strategies of the College including the subject balance and decisions about associations with new posts.
- **Tutors' Committee (meets twice per term)**  
This committee considers business related to the academic and teaching aspects of the College including admissions, changes of course, student progress, requests for student suspensions, graduate matters etc.
- **Domus Committee (meets once per term)**  
This committee is responsible for the general management of the College, including accommodation, housekeeping, catering and security.
- **Human Resources Committee (meets once per term)**  
This committee is responsible for human resources, data protection, health & safety and equality and diversity across the College.
- **External Relations Committee (usually meets once per term)**  
The External Relations Committee is responsible for business related to fund-raising and alumni relations.
- **Nominating Committee (usually meets once per year)**  
The Nominating Committee proposes membership of committees and appointments of College Officers.

Further committees meet regularly to discuss specific areas of the College (including Chapel, Library, Computing, Gardens and Grounds, Buildings, Student Matters, Housing and Accommodation).

The day-to-day running of the College is delegated to the Provost, supported by the following College Officers and senior staff: Vice-Provost, Finance and Estates Bursar, Senior Tutor, Dean, Home Bursar, Director of Development and Alumni Relations, Librarian, IT Manager, Human Resources Manager, Head of Works, College Accountant and Academic Administrator. All meetings of the committees listed above are attended by one or more of these individuals.

### **Group structure and relationships**

The College has a wholly owned trading subsidiary, Worcester College Enterprises Limited whose accounts are consolidated into the accounts of the College.

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

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

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A proportion of the College's endowed funds are held at arm's length in the Worcester College Oxford Endowment Trust, which is not controlled by the College but which has the support of the College as its principal charitable objective. The Trust has agreed under a memorandum of understanding to make the College an annual grant (currently at 4.25% of the value of the Trust's assets at year end).

The College also administers many special funds, as detailed in Notes 17 and 18 to the financial statements.

## **OBJECTIVES AND ACTIVITIES**

Worcester College promotes freedom of thought and expression, academic integrity and a willingness (indeed an expectation) to challenge ideas and in turn to be challenged. The College is an academic community providing a stimulating and supportive teaching and learning environment for students (of all levels), with modern facilities and a range of opportunities for extra-curricular activity. The College's educational provision complements the educational opportunities available to our students within the departments and faculties of the University of Oxford. In particular, the College operates a tutorial system where each student's education is steered by research-active academics whom the students meet (usually either individually or in pairs) on a weekly basis. In this way the College provides an informing, inspiring and also challenging learning environment.

For centuries Worcester College has prepared students of outstanding talent and potential for graduation in a wide range of academic disciplines. Alumni have gone on to lead fulfilling professional lives and, individually and collectively, have made major contributions in their chosen fields including in commerce, the professions, in the arts, science and engineering, in medicine, faith communities, the military and in public service.

### **Charitable Objects and Aims**

The College's Objects are the advancement of education, religion, learning and research, by the provision of a college in the University of Oxford, for the benefit of the public.

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 advance education, including extending access

Working with the University of Oxford's departments and faculties, the College educated 647 students (undergraduate and graduate) during the year in a wide range of subject areas, plus 16 visiting students who attended for subsets of the year. Students are admitted from diverse backgrounds solely on the basis of their academic ability and potential.

Opportunities are provided to develop students' academic knowledge and potential, and the transferable skills needed by them to contribute in the workplace and more widely. To support these activities, the College provides tutorial (small-group) and class teaching to undergraduates, maintains a range of teaching and learning facilities (including three libraries and a number of lecture/seminar rooms) and organises events for all students to advance their education. A range of welfare, pastoral and administrative systems and social, cultural, and extra-curricular activities are also provided by the College.

The College employs an Admissions and Access Officer and has an Outreach Fellow to undertake outreach and widening-participation work and to work with the Senior Tutor to develop and implement policies associated with access and the selection of undergraduate students. The Senior Tutor, supported by a Graduate Officer, is responsible for work associated with the admission of graduate students.

- To provide bursaries

The College recognises academic achievement through the award of scholarships, exhibitions and prizes for strong performance. Funds are provided to assist students with the purchase of academic books, to help with vacation residence and field trip costs, and for travel associated with attendance at conferences and in furtherance of their academic work.



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

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- To support impecunious students through targeted financial aid

The College advises and assists students who are in financial hardship. A Student Financial Aid Committee considers applications for assistance from the College's hardship funds and is able to provide help by means of grants, loans or a combination of the two.

- To support college-funded and independent research

The College funds a number of career development Junior Research Fellowships and Tutorial Fellowships, whose responsibilities include research. Associations are also offered, by means of Senior Research Fellowships and Supernumerary Fellowships, to individuals in University departments and faculties who are undertaking research. Through the standard University scheme for sabbatical leave, and in considering requests for special leave, it also provides replacement teaching to enable Fellows to dedicate between 1 and 3 terms to specific research projects. All Tutorial Fellows and career development Junior Research Fellows are eligible to receive a Teaching and Research Allowance and may apply for assistance towards expenses incurred in attending academic conferences.

Students and academic staff are able to make use of the College's three libraries, and researchers can also apply to access material in the College's special collections of prints, manuscripts and material in the archive.

- To promote religion

The College employs a full-time Chaplain who conducts services in the Chapel, is a member of the welfare team and can be approached by students of any faith, or none. The Chapel acts as a centre of Christian worship but its use by anyone as a space for quiet reflection is also encouraged.

The Chapel is open every day and supports two flourishing choirs; a mixed-voice choir and a choir incorporating boy trebles from Christ Church Cathedral School. Services are also sometimes sung by 'Frideswide Voices', a new choir for girl choristers, aged 7-14, co-founded by the Chaplain in 2014.

Interfaith services are offered on a regular basis and all services are promoted, internally and externally, by means of notice boards and websites. Information about the variety of faith societies, belief groups and religious centres within the University is provided in the Undergraduate and Graduate Handbooks. The College also has a multi-faith prayer room which is available for all members to use.

There are various events outside of the Chapel, to discuss religion, ethics and morality, organised by the Chaplain, usually including a weekly discussion group and a termly dinner with guest speaker.

Due to lockdown restrictions, Chapel services were delivered by a mixture of online broadcast and restricted in-person worship. Online services included music from the choir, and were well-attended and well-received by both current students and our wider community, including old members.

## **ACHIEVEMENTS AND PERFORMANCE**

### **Covid-19**

The Covid-19 pandemic continued to affect all College activities during the financial year, although the majority of students were able to be in residence. Teaching was delivered through a combination of in-person teaching and remotely, with students again taking their public examinations remotely. Take-away meals were provided for students throughout the year, with special arrangements to support those self-isolating or with Covid symptoms. The Hall was also able to open for a number of events, including limited student household dining. Administrative and governance meetings continued to take place remotely throughout the year.

### **Access and Admissions**

Much of our access and outreach work has been virtual this year because of the ongoing disruption caused by the COVID-19 pandemic; in spite of this disruption, however, all of our sustained programmes of engagement have continued in new forms, and we have continued to visit schools across our link areas and around the country.

## **WORCESTER COLLEGE**

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

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

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The majority of our access work is local to our link areas (prioritising work in Bradford, Calderdale, Kirklees, Leeds, Wakefield and Northamptonshire) but we also run a smaller number of national access programmes promoting access to Higher Education for the most under-represented groups.

As well as providing information and guidance on Higher Education for students in years 11, 12 and 13, and targeted programmes for groups particularly under-represented in Higher Education (including introducing a new programme for British Caribbean students this year) we have provided learning resources (via the Worcester Bookshelf for students in year 10, 11 and 12; and via our lockdown learning hub for students in years 8-13) and curriculum enrichment projects for students from the beginning of secondary education.

We continue to see the effects of this work at admissions. Among UK students admitted in 2020 for October 2021 entry, 83.5% were educated at state schools, 27% were from areas with the lowest levels of progression to Higher Education (POLAR4 quintiles 1 and 2) and 27.8% were from the most socioeconomically disadvantaged areas (Acorn categories 4 and 5).

Overall, according to the University's contextual measure of disadvantage ('Band A'), 35.8% of our intake were among the most socio-economically and educationally disadvantaged applicants to Oxford University. Data relating to race and ethnicity is not available to us at this point in the admissions cycle, though racial equality has been a key focus of our access work, and in our 2020 intake just over 36% of our UK intake were BAME students.

In 2019, the College's Governing Body set a number of access targets for undergraduate admissions, focussing on groups currently under-represented at Oxford University. We have made dramatic progress towards achieving these targets: in 2018 67% of our intake were educated at state schools, 15.4% came from areas with the lowest levels of progression to Higher Education, and 13.7% came from the most socio-economically disadvantaged areas. The COVID-19 pandemic has drastically increased the effects of educational inequalities, and we will therefore need to work even harder in the coming years to achieve our fair access goals.

#### **Fellowship and Staff**

The Governing Body comprised the Provost, 35 Official Tutorial Fellows, 2 Fellow-Lecturers, 5 Official Non-Tutorial Fellows, 6 Professorial Fellows and 7 Supernumerary Fellows. In addition, there were 20 Senior Research Fellows and 7 Junior Research Fellows.

Teaching was further supported by a number of College Lecturers, including 17 Stipendiary appointments and external tuition was provided by tutors from across the collegiate university. Eighteen terms of sabbatical or special leave for research purposes were granted to a total of eight Fellows. A total of 109 non-academic staff (by headcount, not FTE) supported the College's activities.

#### **Student Numbers and Progress**

During the 2020-21 academic year there were 433 undergraduates, 214 graduates and 16 visiting students in College, a total of 663 students. In Finals, Worcester's undergraduates obtained 48 Firsts, 58 Upper Seconds, and 1 Lower Second. Due to changes in the timing of the production of the Norrington Table showing the relative performance in Finals by each of the Oxford colleges, we do not yet know how these results compare with the wider University. Students also achieved excellent results in their First Public Examinations (normally taken in the first year). The graduate community continued to thrive and a very wide range of postgraduate taught and research degrees were completed successfully.

#### **Student Financial Support**

The College has continued to offer financial support to its students, including for academic provision, hardship, bursaries, study grants and extra-curricular activities. Funds were also provided to support other activities including field trips, medical electives, undergraduate research / conference travel, book bursaries, sports bursaries and language tuition. A total of £400k was disbursed during the year (2020: £433k).

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

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## **Development**

Following the closure of the Tercentenary Campaign in financial year 2018-19, the College had expected to enter a period of donor stewardship and planning in its development operations, coinciding with the recruitment of a new Development Director and the retirement of the outgoing Development Strategy Fellow.

The Covid-19 pandemic meant that the new Development Director joined during lockdown, and that the Development Office had to delay its planned consolidation and strategy work to run a Covid relief campaign with many of our major donors. The level of support we saw in this was extraordinary, and meant that College was able to navigate the financial and operational disruption of Covid without having to resort to actions that might damage our longer-term ability to deliver against our charitable objects. To-date, £5.5 million has been pledged to the Covid appeal, with £4.8 having been received and the remainder due by 2023.

During the year we received a total of £5,464k in donations (2020 £3,021k) which included a gift of £1.5m towards the refurbishment of the Library, as well as pledge instalments against a \$1 million gift and a \$1.5million gift from donors to the appeal, for unrestricted purposes and an additional distribution of £500k from the Worcester College Oxford Endowment Trust.

The College is deeply grateful to all its generous donors.

## **FINANCIAL REVIEW**

The principal funding sources of the College continues to be fees, accommodation charges, conference income, donations and endowment income. Fee income received via the University, is from the Office for Students (OfS), various funding bodies and students.

The College also receives financial support from many benefactors to whom it is extremely grateful.

Total income and endowments for the year were £12,615k (compared with £11,157k in 2019-20). As noted above, this included £5,464k from donations and legacies (compared with £3,021k in 2019-20).

The College's charitable objects continue to be met with resources expended on charitable activities for the year of £12,564k (2020: £12,264k).

Incoming resources from charitable activities in the year, principally fees and residential income were £5,119k compared with £5,679k in 2019-20. The prior year includes income from charitable conferences hosted between August 2019 and March 2020. All conference activity was suspended during the initial COVID lockdown in March 2020 and has only recently resumed operations in July 2021.

As planned, the spending gap on charitable activities caused by the excess of expenditure over incoming resources, was met principally from generated funds including investment income, trading income, legacies and donations. The operating cash deficit reduced from £4,061k in 2019-20 to £1,220k in 2020-21, reflecting continued spending (£3m) on the backlog maintenance programme but partly offset by tight control over operating budgets, and the generous support of our donors through the Covid response appeal.

All of the College's securities and other investments are managed by Oxford University Endowment Management Limited (OUEM) and total £46,983k (2019-20: £39,592k).

The Trustees have given particular attention to the College's ability to continue as a going concern in the light of the financial impact of Covid. In addition to the financial impact during the year from lost student rents, catering and conference income, it is likely that the conference business will take some time to recover from the disruption caused by Covid, and that pressure on commercial revenue will therefore continue into at least the medium term. The College's ongoing programme of essential maintenance puts additional pressure on funding, and existing concerns about the economic environment have been exacerbated by the likely ongoing impact of Covid on the world economy. Having reviewed the current cash position and forecast income and expenditure, and in the light of the Covid appeal donations received and pledged to support the College, plus material savings in operating costs, the trustees are satisfied that the College is a going concern. However, the operating budget for the coming years remains challenging, and additional income will need to be generated and/or cost reductions delivered to ensure that the College's finances remain healthy into the medium term and beyond.

### **Reserves policy**

The College's reserves policy is to maintain sufficient free reserves to enable it to meet its short-term financial obligations in the event of an unexpected revenue shortfall, to allow the College to be managed efficiently and to provide a buffer that would ensure uninterrupted delivery of services. In 2018-19, having reviewed current risks and uncertainties in the external environment, the Trustees set a new target range for free reserves equal to 3-6 months of operating costs to allow operations to continue in the event of short-term economic disruption or other revenue shocks, and committed to developing financial strategies to achieve this over the next 2-3 years. In setting this target, the Trustees were also mindful that the College's Expendable Endowment provides a degree of protection in the event of short-term revenue pressure, although taking the view that it is preferable and prudent also to increase the level of free reserves given the long-term purpose of the Endowment.

The Group's unrestricted reserves (excluding Pension reserve) at the year-end amounted to £39,194k (2019-20: £38,889k), represented by £33,753k of fixed assets, £4,583k of long term property investments and free reserves of £858k (2019-20: £(808k)). The improvement in free reserves compared with the previous year is mainly due to an exceptional distribution from Worcester College Endowment Trust and proceeds from the sale of two joint equity properties.

The Pension reserve of £(1,539)k represents a commitment to pay additional pension contributions over a 7 year period. The College is confident that it can meet these contributions from projected future cash flows without significant impact on planned levels of charitable activity, therefore in line with Charity Commission guidance, this commitment does not impact free reserves.

### **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 Sub-Committee. At the year end, the College's long term securities totalled £46,983k, which during the year generated income of £1,630k and included the recognition of an unrealised gain in the year of £7,391k (2020: £1,920k loss).

Under the total return accounting basis, it is the Governing Body's policy to extract as income up to 4.5% of the value of the relevant invested funds. The Governing Body will keep the level of drawdown under review to balance the needs and interests of current and future beneficiaries of the College's activities.

### **Risk management**

The College has on-going processes which operated through-out the financial year for identifying, evaluating and managing the principal risks and uncertainties faced by the College and its subsidiary in undertaking their activities.

The Governing Body has ultimate responsibility for managing any risks faced by the College, and the Audit and Risk Committee helps it monitor the major risks to which the College is exposed. A risk register and action plan has been established and responsibility for the management of the key risks resides with the College officers and their relevant committees, with the Audit and Risk Committee receiving periodic reports on the effectiveness of this.

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

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The principal risks and uncertainties faced by the College and its subsidiaries that have been identified are categorised as follows:

- Failure to attract admit and retain sufficiently high quality students from diverse backgrounds. Principal mitigation is via the College's access and outreach activities detailed above, and by the provision of a range of welfare support throughout students' time at the College.
- Failure to attract and retain high quality staff. On the academic side this is mitigated by ensuring appropriate remuneration and by a range of additional measures including flexibility of funded leave to support research, and assistance securing housing in Oxford's competitive market. More broadly, the College mitigates this risk by working to attract a wide-range of qualified applicants for positions, including from backgrounds or previous career-paths that might not traditionally apply for roles in an Oxford college.
- Governance and financial control risks inherent in any charity of the College's size and complexity. These risks are mitigated by robust financial and governance controls including strong budgetary and purchasing controls, independent membership of key Committees and clear protocols for managing potential conflicts of interest.
- Risks relating to the management and operations of the College, including health and safety, risk of damage to the historic fabric of the estate, and potential interruption to the College's activities. Mitigation involves a range of preventative and control measures, alongside thorough reporting and oversight, contingency planning and insurance. Other risks relating to the operational activities of the college such as employment of staff and use of IT are managed through clear procedures and monitoring.
- Other risks of harm to the beneficiaries of the charity. This is mitigated through appropriate safeguarding procedures, continued investment in student welfare provision, and the active risk-assessment of events and activities on the College site.
- Financial risk to the College's endowment, including loss of real value through inappropriate investment, and failure to attract sufficient additional endowment funds. The College's endowment is invested with Oxford University Endowment Management to ensure direct oversight and management by investment professionals, with an Investment Subcommittee monitoring performance and reviewing future strategy, including potential concentration risk. Risk of insufficient future donations is mitigated by the activities of the Development Office and the Provost, overseen by both the External Relations Committee and the Finance Committee.

In Trinity Term, the Governing Body identified a potential lack of clarity in relation to risk tolerance and therefore approved a new Risk Management Policy. Significant risks and key actions were identified and allocated to a senior responsible manager and one of the College committees. These will be a standing item on committee agendas and progress monitored, co-ordinated by the Finance Committee. The Governing Body also commissioned an independent review of College governance to be delivered in 2021-22. During the financial year, the Governing Body adopted a range of new student-facing policies and procedures to take effect in Michaelmas 2021, including new disciplinary, complaints, and harassment & bullying policies, to address a number of potential risks that had been highlighted.

## **FUTURE PLANS**

The College does not have plans to adjust significantly either the size of its student body or the range of subjects offered for study. It will continue to deliver teaching and learning through the tutorial system, to support research, fund scholarships and scholarly activity and to recognise scholarly achievement, support students in financial hardship and provide for the spiritual welfare of its students through its chapel provision.

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

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David Isaac CBE took office as Provost on 1st July 2021. Professor Daniel Neyland took office as full-time Senior Tutor on 1<sup>st</sup> September. The College is in the process of recruiting of a new Finance and Estates Bursar to replace Gareth Prior who left Worcester on 30 September to take up the position of Bursar at another college. Wilf Stephenson is currently covering as Interim Finance and Estates Bursar.

These senior appointments bring legal, academic and leadership expertise to the College as well as a commitment to continuing to widen access, equality of opportunity and excellence to Worcester.

Following the success of the Covid appeal, the College's Development office will revert to the planned period of consolidation and strategic planning, alongside strengthening relations with our alumni community and introducing the new Provost to our donors and old members. The College will continue to explain our activities and plans to alumni and prospective donors in a series of events, through publications and through the College website. The Covid pandemic has restricted our scope for "in-person" events; we plan to resume these as soon as practicable.

The extraordinary generosity of our donors to the Covid appeal has allowed the College to balance its operating budget without having to take action that might harm our ability to deliver our charitable objects going forward. However, the impact of the Covid pandemic on our conference business is significant and expected to continue into the medium term. During 2021-22 we face the operational challenges of resuming the full range of College activities and operations after an extended period of remote working, continuing to drive efficiencies in our cost base, especially support costs, and laying the foundations to rebuild our commercial revenue.

The College's ongoing essential maintenance programme is planned to continue into the next two financial years and represents a significant expenditure commitment. Alongside this, the free reserves will need to be increased to the target level that the trustees have set in the light of uncertainties in the external environment. These factors further increase the importance of the cost reduction and commercial revenue work noted above.

## **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 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 must:

- select the most suitable accounting policies and then apply them consistently;
- make judgements 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; and
- 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 1 December 2021 and signed on its behalf by:

David Isaac  
Provost

## **WORCESTER COLLEGE**

### **Report of the Auditor to the Members of the Governing Body**

**Year ended 31 July 2021**

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## **Independent auditor's report to the trustees of Worcester College**

### **Opinion**

We have audited the financial statements of Worcester College (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 July 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and College Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and College's affairs as at 31 July 2021 and of the group's incoming resources and application of resources, including the group's and the College's income and expenditure for the for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of 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**

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

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

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

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report, set out on pages 5 to 14 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.



## **WORCESTER COLLEGE**

### **Report of the Auditor to the Members of the Governing Body**

**Year ended 31 July 2021**

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

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the parent charity has not kept sufficient accounting records; or
- the parent charity's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of trustees for the financial statements**

As explained more fully in the Trustees' Responsibilities Statement set out on page 14, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and the parent charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.

## **WORCESTER COLLEGE**

### **Report of the Auditor to the Members of the Governing Body**

**Year ended 31 July 2021**

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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charity.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charity and considered that the most significant are the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charity complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

## **WORCESTER COLLEGE**

### **Report of the Auditor to the Members of the Governing Body**

**Year ended 31 July 2021**

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#### **Use of this report**

This report is made solely to the charity's trustees, as a body, in accordance with Chapter 3 Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP, Statutory Auditor

Devonshire House  
60 Goswell Road  
London  
EC1M 7AD

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

Date:

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

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**1. Scope of the financial statements**

The financial statements present the Consolidated Statement of Financial Activities (SOFA), the Consolidated and College Balance Sheets and the Consolidated Statement of Cash Flows for the College and its wholly owned subsidiary, Worcester College Enterprises Limited.

No separate SOFA has been presented for the College alone as currently permitted by the Charity Commission on a concessionary basis for the filing of consolidated financial statements. A summary of the results and financial position of the charity and its subsidiary for the reporting year are in note 13.

The accounts of the affiliated student bodies, Worcester College Clubs, Middle Common Room and Junior Common Room have not been consolidated because the College does not control these activities.

**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'.

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 accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland' (The Charities SORP (FRS102)).

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. Going concern**

The Trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the College to continue as a going concern, including the impact of the current COVID-19 pandemic. Having reviewed the current cash position and forecast income and expenditure, and in the light of the Covid appeal donations received and pledged to support the College, material savings in operating costs and the significant expendable endowment funds available, the trustees have concluded that the College will have sufficient liquidity to operate for at least the next twelve months from the date of approval of these financial statements. The College therefore continues to adopt the going concern basis in preparing its financial statements.

**4. Accounting judgements and estimation uncertainty**

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

The College participates in two multi-employer defined benefit pension plans. In the judgement of the Governing Body, there is insufficient information about the plan assets and liabilities to be able to account reliably for its share of the defined benefit obligation and plan assets in the financial statements and therefore the plan is accounted for as a defined contribution scheme (see note 21).

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.

**4 Accounting judgements and estimation uncertainty** (continued)

Before legacies are recognised in the financial statements, the Governing Body has to exercise judgement as to what constitutes sufficient evidence of entitlement to the bequest. Sufficient entitlement exists once notification of payment has been received from the executor(s) of the estate or estate accounts are available which indicate there are sufficient funds in the estate after meeting liabilities for the bequest to be paid.

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

**5. 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, OfS support and other charges for services**

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

Conference income in relation to conferences that span the year end is accrued for in accordance with the proportion of completion.

**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. 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.

Other income includes government grants received in respect of furloughed employees under the Coronavirus Job Retention Scheme

**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.

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

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

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

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

## **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, together with expenditure on equipment costing more than £2,000, is capitalised.

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

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

## **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
Building improvements	50 years
Equipment, Fixtures and Fittings	4 - 10 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 changes 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.

**9. Investments (continued)**

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. 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. Where necessary, provision is made for obsolete, slow moving and defective stock.

**11. 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 prevailing rates of exchange 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 balance sheet date. The resulting exchange differences are taken to the SOFA.

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 balance sheet date are recognised in the income and expenditure section of the SOFA.

**12. 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.

**13. Fund accounting**

The total funds of the College and its subsidiaries are allocated to unrestricted, restricted or endowment funds based on the origins of the funds and the terms set by the donors 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 earmarked funds for specific 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 income 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 that they have been given, for the long term benefit of the College. However, the Governing Body may at their discretion determine to spend all or part of the capital.

#### **14. Pension costs**

The costs of retirement benefits provided to employees of the College through two multi-employer defined benefit 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.

The College also operates a defined contribution pension scheme. Contributions to these arrangements are charged to the SOFA in the period in which they are payable.



**WORCESTER COLLEGE**  
**Consolidated Statement of Financial Activities**  
**For the year ended 31 July 2021**

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2021 Total £'000	2020 Total £'000
<b>INCOME AND ENDOWMENTS FROM:</b>						
<b>Charitable activities</b>	1					
Teaching, research and residential		5,119	0	0	5,119	5,679
<b>Other trading income</b>	3	13	0	0	13	371
<b>Donations and legacies</b>	2	2,987	2,028	449	5,464	3,021
<b>Investment income</b>	4	25	0	1,630	1,655	1,611
<b>Other income</b>	5	364	0	0	364	475
<b>Total income</b>		<u>8,508</u>	<u>2,028</u>	<u>2,079</u>	<u>12,615</u>	<u>11,157</u>
<b>EXPENDITURE ON:</b>						
<b>Charitable activities</b>	6					
Teaching, research and residential		8,234	4,330	0	12,564	12,264
<b>Generating funds:</b>	6					
Fundraising		503	4	0	507	485
Trading expenditure		24	0	0	24	79
Investment management costs		34	0	0	34	43
<b>Total expenditure</b>		<u>8,795</u>	<u>4,334</u>	<u>0</u>	<u>13,129</u>	<u>12,871</u>
<b>Net (expenditure)/income before gains</b>		(287)	(2,306)	2,079	(514)	(1,714)
Net gains/(losses) on investments		244	0	7,391	7,635	(1,833)
<b>Net (expenditure)/income</b>		<u>(43)</u>	<u>(2,306)</u>	<u>9,470</u>	<u>7,121</u>	<u>(3,547)</u>
Transfers between funds		390	3,909	(4,299)	0	0
<b>Net movement in funds for the year</b>	17	<u>347</u>	<u>1,603</u>	<u>5,171</u>	<u>7,121</u>	<u>(3,547)</u>
Fund balances brought forward	17	37,308	1,586	48,324	87,218	90,765
<b>Funds carried forward at 31 July</b>	17	<u>37,655</u>	<u>3,189</u>	<u>53,495</u>	<u>94,339</u>	<u>87,218</u>

**WORCESTER COLLEGE**  
**Consolidated and College Balance Sheets**  
**As at 31 July 2021**

	Notes	2021 Group £'000	2020 Group £'000	2021 College £'000	2020 College £'000
<b>FIXED ASSETS</b>					
Tangible assets	10	33,838	34,888	33,838	34,888
Property investments	11	4,583	4,683	4,583	4,683
Securities and other investments	12	46,983	39,592	46,983	39,592
		<b>85,404</b>	79,163	<b>85,404</b>	79,163
<b>CURRENT ASSETS</b>					
Stocks		132	133	132	133
Debtors	15	1,002	1,416	997	1,565
Cash at bank and in hand		10,762	9,534	10,674	9,131
		<b>11,896</b>	11,083	<b>11,803</b>	10,829
<b>CREDITORS: falling due within one year</b>	16	<b>(1,422)</b>	(1,447)	<b>(1,329)</b>	(1,404)
<b>NET CURRENT ASSETS</b>		<b>10,474</b>	9,636	<b>10,474</b>	9,425
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>95,878</b>	88,799	<b>95,878</b>	88,588
<b>CREDITORS: falling due after more than one year</b>		<b>0</b>	0	<b>0</b>	0
<b>NET ASSETS BEFORE PENSION LIABILITY</b>		<b>95,878</b>	88,799	<b>95,878</b>	88,588
<b>Defined benefit pension scheme liability</b>		<b>(1,539)</b>	(1,581)	<b>(1,539)</b>	(1,581)
<b>NET ASSETS</b>		<b>94,339</b>	87,218	<b>94,339</b>	87,007
<b>FUNDS OF THE COLLEGE</b>					
	17				
<b>Endowment funds</b>		<b>53,495</b>	48,324	<b>53,495</b>	48,324
<b>Restricted funds</b>		<b>3,189</b>	1,586	<b>3,189</b>	1,586
<b>Unrestricted funds</b>					
Designated fixed assets fund		33,753	34,803	33,753	34,803
General funds (excluding pension reserve)		5,441	4,086	5,441	3,875
Pension reserve		(1,539)	(1,581)	(1,539)	(1,581)
		<b>94,339</b>	87,218	<b>94,339</b>	87,007

The financial statements were approved and authorised for issue by the Governing Body of Worcester College on 1 December 2021.

David Isaac, Provost

**WORCESTER COLLEGE**  
**Consolidated Statement of Cash Flows**  
**For the year ended 31 July 2021**

	Notes	2021 Group £'000	2020 Group £'000
<b>Net cash used in operating activities</b>	24	<u>(1,220)</u>	<u>(4,061)</u>
<b>Cash flows from investing activities</b>			
Dividends, interest and rents from investments		1,655	1,611
Purchase of property, plant and equipment		(0)	(202)
Proceeds from sale of investments		656	0
Purchase of investments	13	(312)	(1,578)
<b>Net cash provided by / (used in) investing activities</b>		<u>1,999</u>	<u>(169)</u>
<b>Cash flows from financing activities</b>			
Receipt of endowment		449	775
<b>Net cash provided by financing activities</b>		<u>449</u>	<u>775</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>1,228</u>	<u>(3,455)</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		9,534	12,989
<b>Cash and cash equivalents at the end of the reporting period</b>		<u>10,762</u>	<u>9,534</u>

The College has no net debt and accordingly no net debt note is presented.

**WORCESTER COLLEGE**  
**Notes to the Financial Statements**  
**For the year ended 31 July 2021**

**1 INCOME FROM CHARITABLE ACTIVITIES**

	<b>2021</b>	2020
	<b>£'000</b>	£'000
<b>Teaching, research and residential</b>		
Unrestricted Funds		
Tuition fees - UK and EU students	2,116	2,042
Tuition fees - Overseas students	625	513
Other fees	219	393
Other grant support	132	116
Other academic income	188	164
College residential income	1,839	2,451
	<u>5,119</u>	<u>5,679</u>

The above analysis includes £2,873k received from Oxford University from publicly accountable funds under the College Funding Formula Scheme (2020: £2,671k).

**2 DONATIONS AND LEGACIES**

	<b>2021</b>	2020
	<b>£'000</b>	£'000
Unrestricted funds	2,987	1,712
Restricted funds	2,028	534
Endowed funds	449	775
	<u>5,464</u>	<u>3,021</u>

**3 INCOME FROM OTHER TRADING ACTIVITIES**

	<b>2021</b>	2020
	<b>£'000</b>	£'000
Subsidiary company trading income	11	367
Other trading income	2	4
	<u>13</u>	<u>371</u>

**4 INVESTMENT INCOME**

	<b>2021</b>	2020
	<b>£'000</b>	£'000
Unrestricted funds		
Equity dividends	1	1
Interest on fixed term deposits and cash	24	53
Other investment income	0	2
	<u>25</u>	<u>56</u>
Restricted funds		
Other investment income	0	0
Endowed funds		
Other investment income	1,630	1,555
	<u>1,630</u>	<u>1,555</u>

**5 OTHER INCOME**

Other income includes grants of £354k (2020: £361k) claimed from the Coronavirus Job Retention Scheme.

**WORCESTER COLLEGE**  
**Notes to the Financial Statements**  
**For the year ended 31 July 2021**

**6 ANALYSIS OF EXPENDITURE**

		<b>2021</b>	2020
		<b>£'000</b>	£'000
<b>Charitable expenditure</b>			
Direct staff costs allocated to :	Teaching, research and residential	<b>4,858</b>	4,410
Other direct costs allocated to:	Teaching, research and residential	<b>5,684</b>	5,608
Support and governance costs allocated to:	Teaching, research and residential	<b>2,022</b>	2,246
		<b>12,564</b>	12,264
<b>Expenditure on raising funds</b>			
Direct staff costs allocated to :	Fundraising	<b>343</b>	313
	Trading Expenditure	<b>20</b>	35
Other direct costs allocated to:	Fundraising	<b>105</b>	97
	Trading expenditure	<b>0</b>	42
Support and governance costs allocated to:	Fundraising	<b>59</b>	75
	Trading expenditure	<b>4</b>	2
	Investment management costs	<b>34</b>	43
		<b>565</b>	607
		<b>13,129</b>	12,871

The 2020 resources expended of £12,871k represented £9,212k from unrestricted funds and £3,659k from restricted funds.

**7 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS**

	Generating Funds	Teaching Research & Residential	<b>2021</b> <b>Total</b>
	£'000	£'000	£'000
Financial and domestic admin	50	452	<b>502</b>
Human resources	16	173	<b>189</b>
IT	27	306	<b>333</b>
Depreciation	0	1,050	<b>1,050</b>
Other finance charges	0	21	<b>21</b>
Governance costs	4	20	<b>24</b>
	<b>97</b>	<b>2,022</b>	<b>2,119</b>
	Generating Funds	Teaching Research & Residential	<b>2020</b> <b>Total</b>
	£'000	£'000	£'000
Financial and domestic admin	57	505	<b>562</b>
Human resources	34	220	<b>254</b>
IT	27	313	<b>340</b>
Depreciation	0	1,107	<b>1,107</b>
Other finance charges	0	82	<b>82</b>
Governance costs	2	19	<b>21</b>
	<b>120</b>	<b>2,246</b>	<b>2,366</b>

**WORCESTER COLLEGE**  
**Notes to the Financial Statements**  
**For the year ended 31 July 2021**

**7 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS** (continued)

Finance and administration and human resources costs are attributed according to the estimated staff time spent on each activity. Depreciation costs are attributed according to the use made of the underlying assets. IT costs are attributed according to the estimated time spent on each activity. Interest and other finance charges are attributed according to the purpose of the related financing.

	<b>2021</b>	2020
	<b>£'000</b>	£'000
<b>Governance costs comprise:</b>		
Auditor's remuneration – audit services	<b>24</b>	21

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

**8 GRANTS AND AWARDS**

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

		<b>2021</b>	2020
		<b>£'000</b>	£'000
<b>Grants to individuals from:</b>			
Unrestricted funds	Scholarships, prizes and grants	<b>25</b>	26
	Bursaries and hardship awards	<b>3</b>	9
		<b>28</b>	35
Restricted funds	Scholarships, prizes and grants	<b>134</b>	248
	Bursaries and hardship awards	<b>238</b>	150
		<b>372</b>	398
<b>Total grants and awards</b>		<b>400</b>	433

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

The figure included above represents the cost to the College of the Oxford Bursaries scheme. Students in the College received £262k in bursaries in 2020-21 (2019-20: £236k).

**9 STAFF COSTS**

The aggregate payroll costs for the year were as follows:

	<b>2021</b>	2020
	<b>£'000</b>	£'000
Salaries and wages	<b>4,707</b>	4,999
Social security costs	<b>421</b>	452
Pension costs	<b>873</b>	847
	<b>6,001</b>	6,298
Pension provision adjustment	<b>(53)</b>	(811)
	<b>5,948</b>	5,487

**WORCESTER COLLEGE**  
**Notes to the Financial Statements**  
**For the year ended 31 July 2021**

**9 STAFF COSTS (continued)**

The average number of employees of the College, excluding Trustees, was as follows:	<b>2021</b>	2020
Tuition and research	<b>185</b>	228
College residential	<b>87</b>	118
Fundraising	<b>5</b>	4
Support	<b>17</b>	20
Total	<b>294</b>	370

The average number of employed College Trustees during the year was as follows:	<b>2021</b>	2020
University Lecturers	<b>19</b>	19
CUF Lecturers	<b>12</b>	12
Other teaching and research	<b>7</b>	8
Other	<b>4</b>	4
Total	<b>42</b>	43

Salary and wages costs includes severance costs of £15k for 3 members of staff.

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

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:

	<b>2021</b>	2020
£60,001 to £70,000	<b>2</b>	3
£70,001 to £80,000	<b>0</b>	1

Details of the remuneration and reimbursed expenses of the College Trustees are included as a separate note in these financial statements.

**10 TANGIBLE FIXED ASSETS**

<b>Group and College</b>	Freehold Land and Buildings £'000	Fixtures, Fittings and Equipment £'000	<b>Total £'000</b>
<b>Cost</b>			
At start of year	44,603	2,106	<b>46,709</b>
Disposals	0	(522)	<b>(522)</b>
<b>At end of year</b>	<b>44,603</b>	<b>1,584</b>	<b>46,187</b>
<b>Depreciation</b>			
At start of year	10,160	1,661	<b>11,821</b>
Disposals	0	(522)	<b>(522)</b>
Charge for the year	886	164	<b>1,050</b>
<b>At end of year</b>	<b>11,046</b>	<b>1,303</b>	<b>12,349</b>
<b>Net book value</b>			
<b>At end of year</b>	<b>33,557</b>	<b>281</b>	<b>33,838</b>
At start of year	34,443	445	34,888

**WORCESTER COLLEGE**  
**Notes to the Financial Statements**  
**For the year ended 31 July 2021**

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**10 TANGIBLE FIXED ASSETS** (continued)

Included within Fixtures, Fittings and Equipment above are intangible assets of £80k cost and £70k depreciation.

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

**11 PROPERTY INVESTMENTS**

	<b>2021</b>	2020
<b>Group and College</b>	<b>Total</b>	Total
	<b>£'000</b>	£'000
Valuation at start of year	<b>4,683</b>	3,018
Disposals	<b>(656)</b>	0
Additions and improvements	<b>312</b>	1,578
Revaluation gains in the year	<b>244</b>	87
<b>Valuation at end of year</b>	<b>4,583</b>	4,683

A formal inspection valuation of the College properties was prepared by Mark Charter MRICS of Carter Jonas LLP as at 31 July 2021. Governing Body is satisfied that these valuations remain materially accurate at the balance sheet date.

**12 SECURITIES AND OTHER INVESTMENTS**

	<b>2021</b>	2020
<b>Group and College</b>	<b>£'000</b>	£'000
Valuation at start of year	<b>39,592</b>	41,512
Increase/(decrease) in value of investments	<b>7,391</b>	(1,920)
<b>Valuation at end of year</b>	<b>46,983</b>	39,592

**Group and College investments comprise:**

	Held outside the UK £'000	Held in the UK £'000	<b>2021</b>	2020
			<b>Total</b>	Total
			<b>£'000</b>	£'000
Global multi-asset funds	39,419	7,564	<b>46,983</b>	39,592

100% of the portfolio is invested with Oxford University Endowment Management (Endowment Fund).



**WORCESTER COLLEGE**  
**Notes to the Financial Statements**  
**For the year ended 31 July 2021**

**13 PARENT AND SUBSIDIARY UNDERTAKINGS**

The College holds 100% of the issued share capital in Worcester College Enterprises Limited, a company providing conference and accommodation services.

The results of the College and subsidiary, and their assets and liabilities at the year-end were as follows.

<b>Worcester College</b>	<b>2021</b>	<b>2020</b>	<b>Worcester College Enterprises Limited</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>		<b>£'000</b>	<b>£'000</b>
Income	<b>12,816</b>	10,946	Turnover	<b>11</b>	367
Expenditure	<b>(13,119)</b>	(12,871)	Expenditure	<b>(10)</b>	(156)
Gains/(losses)	<b>7,635</b>	(1,833)			
Result for the year	<b>7,332</b>	(3,758)	Result for the year	<b>1</b>	211
			Donation to College (gift aid)	<b>(212)</b>	0
				<b>(211)</b>	211
Total assets	<b>97,207</b>	89,992	Total assets	<b>107</b>	415
Total liabilities	<b>(2,868)</b>	(2,985)	Total liabilities	<b>(107)</b>	(204)
Net funds at the end of year	<b>94,339</b>	87,007	Net funds at the end of year	<b>0</b>	211

**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 November 2003. The investment return, to be applied as income, is calculated as up to 4.5% of the brought forward values of the relevant investments. The preserved (frozen) value of the invested endowment capital represents its open market value in 1992, except where the original donation can be identified, together with the original gift value of all subsequent endowments.

	Permanent Endowment			Expendable	Total
	Trust for	Unapplied	Total	Endowment	2021
	Investment	Total Return			
	£'000	£'000	£'000	£'000	£'000
<b>At the beginning of the year:</b>					
Gift component of the permanent endowment	16,060	0	16,060	0	<b>16,060</b>
Unapplied total return	0	6,273	6,273	0	<b>6,273</b>
Expendable endowment	0	0	0	25,991	<b>25,991</b>
<b>Total Endowments</b>	<b>16,060</b>	<b>6,273</b>	<b>22,333</b>	<b>25,991</b>	<b>48,324</b>
<b>Movements in the reporting period:</b>					
Gift of endowment funds	11	0	11	438	<b>449</b>
Investment return: total investment income	0	754	754	876	<b>1,630</b>
Investment return: realised and unrealised gains and losses	0	3,416	3,416	3,975	<b>7,391</b>
Other transfers	0	0	0	0	<b>0</b>
<b>Total</b>	<b>11</b>	<b>4,170</b>	<b>4,181</b>	<b>5,289</b>	<b>9,470</b>
Unapplied total return allocated to income in the reporting period	0	(612)	(612)	0	<b>(612)</b>
Expendable endowments transferred to income	0	0	0	(3,687)	<b>(3,687)</b>
<b>Net movements in reporting period</b>	<b>11</b>	<b>3,558</b>	<b>3,569</b>	<b>1,602</b>	<b>5,171</b>
<b>At end of the reporting period:</b>					
Gift component of the permanent endowment	16,071	0	16,071	0	16,071
Unapplied total return	0	9,831	9,831	0	9,831
Expendable endowment	0	0	0	27,593	27,593
<b>Total Endowments</b>	<b>16,071</b>	<b>9,831</b>	<b>25,902</b>	<b>27,593</b>	<b>53,495</b>

**WORCESTER COLLEGE**  
**Notes to the Financial Statements**  
**For the year ended 31 July 2021**

**14 STATEMENT OF INVESTMENT TOTAL RETURN (continued)**

	Permanent Endowment Trust for Investment £'000	Unapplied Total Return £'000	Total £'000	Expendable Endowment £'000	Total 2020 £'000
<b>At the beginning of the year:</b>					
Gift component of the permanent endowment	15,317	0	15,317	0	<b>15,317</b>
Unapplied total return	0	6,892	6,892	0	<b>6,892</b>
Expendable endowment	0	0	0	29,227	<b>29,227</b>
<b>Total Endowments</b>	<b>15,317</b>	<b>6,892</b>	<b>22,209</b>	<b>29,227</b>	<b>51,436</b>
<b>Movements in the reporting period:</b>					
Gift of endowment funds	743	0	743	32	<b>775</b>
Investment return: total investment income	0	672	672	883	<b>1,555</b>
Investment return: realised and unrealised gains and losses	0	(710)	(710)	(1,210)	<b>(1,920)</b>
Other transfers	0	0	0	0	<b>0</b>
<b>Total</b>	<b>743</b>	<b>(38)</b>	<b>705</b>	<b>(295)</b>	<b>410</b>
Unapplied total return allocated to income in the reporting period	0	(581)	(581)	0	<b>(581)</b>
Expendable endowments transferred to income	0	0	0	(2,941)	<b>(2,941)</b>
<b>Net movements in reporting period</b>	<b>743</b>	<b>(619)</b>	<b>124</b>	<b>(3,236)</b>	<b>(3,112)</b>
<b>At end of the reporting period:</b>					
Gift component of the permanent endowment	16,060	0	16,060	0	16,060
Unapplied total return	0	6,273	6,273	0	6,273
Expendable endowment	0	0	0	25,991	25,991
<b>Total Endowments</b>	<b>16,060</b>	<b>6,273</b>	<b>22,333</b>	<b>25,991</b>	<b>48,324</b>

**15 DEBTORS: falling due within one year**

	2021 Group £'000	2020 Group £'000	2021 College £'000	2020 College £'000
Trade debtors	86	179	76	167
Amounts owed by College members	172	145	172	145
Amounts owed by Group undertakings	0	0	13	161
Loans repayable within one year	4	3	4	3
Prepayments and accrued income	720	1,071	712	1,071
Other debtors	20	18	20	18
	<b>1,002</b>	<b>1,416</b>	<b>997</b>	<b>1,565</b>

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

	2021 Group £'000	2020 Group £'000	2021 College £'000	2020 College £'000
Trade creditors	382	392	376	392
Amounts owed to College Members	416	382	416	382
Taxation and social security	131	119	131	119
Accruals and deferred income	265	325	262	321
Other creditors	228	229	144	190
	<b>1,422</b>	<b>1,447</b>	<b>1,329</b>	<b>1,404</b>

**WORCESTER COLLEGE**  
**Notes to the Financial Statements**  
**For the year ended 31 July 2021**

**17 MOVEMENTS OF THE COLLEGE FUNDS**

The College accounts for its investment income on a total return basis, which allows the College to invest permanent endowments to maximise total return and to make available an appropriate proportion of the total return for expenditure each year. Until this power is exercised the total return is the 'unapplied total return' and remains as part of the permanent endowment. The College has adopted a total return rate of up to 4.5% on opening values. An amount equal to eligible expenditure is transferred from the permanent endowment fund to restricted funds from which eligible expenditure is spent.

<b>Endowment Funds</b>	At 31 July 2020 £'000	Incoming Resources £'000	Resources Expended £'000	Gains / (Losses) £'000	Transfers £'000	At 31 July 2021 £'000
<b>Permanent</b>						
Fellowships	14,562	494	0	2,227	(477)	<b>16,806</b>
Research Support	1,025	35	0	157	0	<b>1,217</b>
Scholarships	2,405	81	0	368	(55)	<b>2,799</b>
Studentships	1,104	37	0	169	(30)	<b>1,280</b>
Donated Collection	1,252	42	0	192	(2)	<b>1,484</b>
Library & Book Conservation	486	16	0	74	(11)	<b>565</b>
The Marriott Trust	872	29	0	133	(8)	<b>1,026</b>
Other Funds	626	32	0	96	(29)	<b>725</b>
<b>Expendable</b>						
General Fund	8,008	270	0	1,225	(1,584)	<b>7,919</b>
Fellowships	7,734	264	0	1,183	(250)	<b>8,931</b>
Visiting Fellows	1,701	57	0	260	37	<b>2,055</b>
Gardens and Grounds	1,243	55	0	190	(24)	<b>1,464</b>
Student Bursaries & Grants	2,107	71	0	322	(45)	<b>2,455</b>
Teaching Fund	668	25	0	102	(1)	<b>794</b>
The Fabric Fund	1,511	52	0	231	(1,794)	<b>0</b>
Other Funds	3,020	519	0	462	(26)	<b>3,975</b>
<b>Total Endowment Funds</b>	<b>48,324</b>	<b>2,079</b>	<b>0</b>	<b>7,391</b>	<b>(4,299)</b>	<b>53,495</b>
<b>Restricted Funds</b>						
Fellowships	0	0	(679)	0	679	<b>0</b>
Research Support	0	0	(0)	0	0	<b>0</b>
Scholarships	0	0	(53)	0	53	<b>0</b>
Studentships	0	0	(30)	0	30	<b>0</b>
Donated Collection	0	0	(3)	0	3	<b>0</b>
Library & Book Conservation	0	0	(11)	0	11	<b>0</b>
The Marriott Trust	0	0	(8)	0	8	<b>0</b>
Visiting Fellows	0	0	(11)	0	11	<b>0</b>
Student Bursaries & Grants	0	0	(30)	0	30	<b>0</b>
Teaching Fund	0	0	(1)	0	1	<b>0</b>
The Fabric Fund	0	1,500	(3,019)	0	3,018	<b>1,499</b>
Other Funds	1,586	528	(489)	0	65	<b>1,690</b>
<b>Total Restricted Funds</b>	<b>1,586</b>	<b>2,028</b>	<b>(4,334)</b>	<b>0</b>	<b>3,909</b>	<b>3,189</b>
<b>Unrestricted Funds</b>						
General Reserve	(808)	8,497	(7,777)	0	946	<b>858</b>
Fixed Assets Designated	34,803	0	(1,050)	0	0	<b>33,753</b>
Designated Reserves	4,683	0	(0)	244	(344)	<b>4,583</b>
Pension Reserve	(1,581)	0	42	0	0	<b>(1,539)</b>
Subsidiary	211	11	(10)	0	(212)	<b>0</b>
<b>Total Unrestricted Funds</b>	<b>37,308</b>	<b>8,508</b>	<b>(8,795)</b>	<b>244</b>	<b>390</b>	<b>37,655</b>
<b>Total Funds</b>	<b>87,218</b>	<b>12,615</b>	<b>(13,129)</b>	<b>7,635</b>	<b>0</b>	<b>94,339</b>

**WORCESTER COLLEGE**  
**Notes to the Financial Statements**  
**For the year ended 31 July 2021**

**17 MOVEMENTS OF THE COLLEGE FUNDS (continued)**

<b>Endowment Funds</b>	At 1 Aug 2019 £'000	Incoming Resources £'000	Resources Expended £'000	Gains / (Losses) £'000	Transfers £'000	At 31 July 2020 £'000
<b>Permanent</b>						
Fellowships	14,747	699	0	(447)	(437)	<b>14,562</b>
Research Support	1,000	30	0	(0)	(5)	<b>1,025</b>
Scholarships	2,018	540	0	(81)	(72)	<b>2,405</b>
Studentships	1,131	34	0	(46)	(15)	<b>1,104</b>
Donated Collection	1,270	38	0	(52)	(4)	<b>1,252</b>
Library & Book Conservation	502	15	0	(20)	(11)	<b>486</b>
The Marriott Trust	890	27	0	(37)	(8)	<b>872</b>
Other Funds	650	32	0	(27)	(29)	<b>626</b>
<b>Expendable</b>						
General Fund	8,484	257	0	(351)	(382)	<b>8,008</b>
Fellowships	8,118	259	0	(335)	(308)	<b>7,734</b>
Visiting Fellows	1,764	53	0	(73)	(43)	<b>1,701</b>
Gardens and Grounds	1,261	50	0	(52)	(16)	<b>1,243</b>
Student Bursaries & Grants	2,176	67	0	(90)	(46)	<b>2,107</b>
Teaching Fund	679	23	0	(29)	(5)	<b>668</b>
The Fabric Fund	3,589	110	0	(149)	(2,039)	<b>1,511</b>
Other Funds	3,157	96	0	(131)	(102)	<b>3,020</b>
<b>Total Endowment Funds</b>	<b>51,436</b>	<b>2,330</b>	<b>0</b>	<b>(1,920)</b>	<b>(3,522)</b>	<b>48,324</b>
<b>Restricted Funds</b>						
Fellowships	0	0	(745)	0	745	<b>0</b>
Research Support	0	0	(5)	0	5	<b>0</b>
Scholarships	0	0	(72)	0	72	<b>0</b>
Studentships	0	0	(15)	0	15	<b>0</b>
Donated Collection	0	0	(4)	0	4	<b>0</b>
Library & Book Conservation	0	0	(11)	0	11	<b>0</b>
The Marriott Trust	0	0	(8)	0	8	<b>0</b>
Visiting Fellows	0	0	(43)	0	43	<b>0</b>
Student Bursaries & Grants	0	0	(46)	0	46	<b>0</b>
Teaching Fund	0	0	(5)	0	5	<b>0</b>
The Fabric Fund	0	0	(2,038)	0	2,038	<b>0</b>
Other Funds	1,739	534	(667)	0	(20)	<b>1,586</b>
<b>Total Restricted Funds</b>	<b>1,739</b>	<b>534</b>	<b>(3,659)</b>	<b>0</b>	<b>2,972</b>	<b>1,586</b>
<b>Unrestricted Funds</b>						
General Reserve	1,216	7,926	(8,721)	87	(1,316)	<b>(808)</b>
Fixed Assets Designated	35,709	0	(1,107)	0	201	<b>34,803</b>
Designated Reserves	3,018	0	(0)	0	1,665	<b>4,683</b>
Pension Reserve	(2,353)	0	772	0	0	<b>(1,581)</b>
Subsidiary	0	367	(156)	0	0	<b>211</b>
<b>Total Unrestricted Funds</b>	<b>37,590</b>	<b>8,293</b>	<b>(9,212)</b>	<b>87</b>	<b>550</b>	<b>37,308</b>
<b>Total Funds</b>	<b>90,765</b>	<b>11,157</b>	<b>(12,871)</b>	<b>(1,833)</b>	<b>0</b>	<b>87,218</b>

**WORCESTER COLLEGE**  
**Notes to the Financial Statements**  
**For the year ended 31 July 2021**

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**18 DETAILS OF THE COLLEGE FUNDS**

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

**Permanent Endowment Funds**

**Fellowships:** A total of 13 funds where income, but not capital, is used to support fellowships.

**Research Support:** A donation where income, but not capital, is used to support research.

**Scholarships:** A total of 7 funds where income, but not capital, is spent on student scholarships.

**Studentships:** A donation where income, but not capital, is spent on studentships in a named subject area.

**Donated Collection:** A bequest where income, but not capital, can be used to conserve a donated collection.

**Library and book conservation:** Donations and bequests where income, but not capital, can be used to support book conservation and preserve the Old Library.

**The Marriott Trust:** A donation where income, but not capital, can be used to support the education of the children of the clergy.

**Other Funds:** Donations and bequests where income, but not capital, can be used for general purposes.

**Expendable Endowment Funds**

**General Fund:** A consolidation of benefactions and donations where either income, or income and capital, can be used for the general purposes of the College.

**Fellowships:** A total of 5 funds where the income and capital can be applied to support named Fellowships in conjunction with the University of Oxford.

**Visiting Fellows:** A donation where the income and capital can be applied to support visiting fellows.

**Gardens and Grounds:** A consolidation of benefactions and donations where either income, or income and capital, can be used for expenses relating to the upkeep of the gardens and grounds.

**Student Bursaries and Grants:** A consolidation of benefactions and donations where either income, or income and capital, can be used for student bursaries and scholarship grants.

**Teaching Fund:** A consolidation of benefactions and donations where either income, or income and capital, can be used to support teaching.

**The Fabric Fund:** Donations and bequests where either income, or income and capital can be used for the maintenance of historic buildings.

**Other Funds:** A diverse group of donations and bequests where either income, or income and capital, can be used for specific purposes including support for fellowships and students.

**Restricted Funds**

**Fellowships:** Income used to support named tutorial and research fellowships.

**Research Support:** Income used to support research in a named subject area.

**Scholarships:** Income that can be spent on student scholarships.

**Studentships:** Income that can be spent on studentships in a named subject area.

**Donated Collection:** Income used to conserve a donated collection.

**Library & Book Conservation:** Income used to support book conservation and preserve the Old Library.

**The Marriott Trust:** Income used to support the education of the children of the clergy.

**Visiting Fellows:** Income used to support visiting fellows.

**Student Bursaries and Grants:** Income that can be used for student bursaries and scholarship grants.

**Teaching Fund:** Income used to support teaching.

**The Fabric Fund:** Income that can be used for the maintenance of historic buildings.

**Other Funds:** A diverse group of income and donations to support student activities, fellowships, research, the Library, archives, upkeep of the gardens and maintenance projects.

**Designated Funds**

**Fixed Assets Designated:** Unrestricted Funds which are represented by fixed assets of the College and therefore not available for expenditure on the College's general purposes.

**Designated:** Unrestricted Funds allocated by the Trustees for joint equity and other investment properties.

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

**WORCESTER COLLEGE**  
**Notes to the Financial Statements**  
**For the year ended 31 July 2021**

**19 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	<b>2021 Total £'000</b>
Tangible fixed assets	33,753	85	0	<b>33,838</b>
Property investments	4,583	0	0	<b>4,583</b>
Securities and other investments	0	0	46,983	<b>46,983</b>
Net current assets	858	3,104	6,512	<b>10,474</b>
Defined benefit pension scheme liability	(1,539)	0	0	<b>(1,539)</b>
	<u>37,655</u>	<u>3,189</u>	<u>53,495</u>	<u><b>94,339</b></u>

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	<b>2020 Total £'000</b>
Tangible fixed assets	34,803	85	0	<b>34,888</b>
Property investments	4,683	0	0	<b>4,683</b>
Securities and other investments	0	0	39,592	<b>39,592</b>
Net current assets	(597)	1,501	8,732	<b>9,636</b>
Defined benefit pension scheme liability	(1,581)	0	0	<b>(1,581)</b>
	<u>37,308</u>	<u>1,586</u>	<u>48,324</u>	<u><b>87,218</b></u>

**20 TRUSTEES' REMUNERATION**

**Trustee remuneration**

The trustees of the College comprise the Governing Body, primarily fellows who are teaching and research employees of the College and who sit on Governing Body by virtue of their employment.

No trustee receives any remuneration for acting as a trustee. However, those trustees who are also employees of the College receive salaries for their work as employees. Where possible, these salaries are paid on external scales and often are joint arrangements with the University of Oxford.

The Remuneration Committee consists of a majority of external members and makes recommendations to the Governing Body on levels of remuneration, allowances and expenses.

Trustees of the College fall into the following categories: Provost, Tutorial Fellows, Professorial Fellows, Supernumerary Fellows, and Official Non-Tutorial Fellows.

There are three trustees who work almost full time on management and fundraising; Finance and Estates Bursar (full time), Interim Provost (full time) and Director of Development & Alumni Relations (full time).

Some trustees, tutorial fellows, are eligible for College housing schemes. Five trustees lived in properties owned by the College and did not receive housing allowance. Others may be eligible for a housing allowance which is disclosed within the salary figures below. Four trustees lived in houses owned jointly with the College, as detailed in Note 25.

Some trustees receive additional allowances for additional work carried out as part time College Officers, for example, the Vice Provost, Senior Tutor and Dean. These amounts are included within the remuneration figures below. The total remuneration and taxable benefits as shown below is £1,477,908 (2019-20: £1,644,463). The total of pension contributions is £293,663 (2019-20: £292,882).

The following table sets out the remuneration received by Trustees as employees of the College:

**WORCESTER COLLEGE**  
**Notes to the Financial Statements**  
**For the year ended 31 July 2021**

**20 TRUSTEES' REMUNERATION** (continued)

	<b>Gross Pay £</b>		<b>Taxable benefits £</b>	<b>Pension Contributions £</b>	<b>2020-21 Total £</b>	2019-20 Total £
Mr David Isaac	8,867		0	1,871	10,738	0
Prof Sir Jonathan Bate	0		0	0	0	105,885
Dr Simon Cowan	48,525	<i>b</i>	1,904	10,239	<b>60,668</b>	60,345
Dr Peter Darrah	17,906	<i>a</i>	3,314	3,282	<b>24,502</b>	45,866
Prof Susan Gillingham	0		0	0	0	9,429
Prof Kate Tunstall	71,858		0	15,162	<b>87,020</b>	86,254
Prof Robert Saxton	10,937	<i>a</i>	0	2,308	<b>13,245</b>	16,003
Prof Donal Nolan	48,908	<i>b</i>	1,505	10,320	<b>60,733</b>	61,386
Dr Nir Vulkan	20,015	<i>a</i>	1,693	4,223	<b>25,931</b>	25,689
Dr Ben Morgan	8,088	<i>b</i>	1,764	1,707	<b>11,559</b>	40,736
Dr John Parrington	10,421	<i>a</i>	1,904	2,199	<b>14,524</b>	15,440
Dr Richard Earl	39,311	<i>b</i>	1,585	8,214	<b>49,110</b>	48,578
Dr Scott Scullion	53,332	<i>c</i>	2,677	11,095	<b>67,104</b>	67,757
Prof Josephine Quinn	4,342	<i>a</i>	0	916	<b>5,258</b>	3,127
Dr Rory Bowden	0		0	0	0	443
Prof Endre Süli	20,015	<i>a</i>	2,870	4,223	<b>27,108</b>	26,776
Prof Grant Ritchie	13,827	<i>a</i>	0	2,789	<b>16,616</b>	12,592
Prof Bob Harris	45,886	<i>b</i>	0	9,682	<b>55,568</b>	47,042
Dr Paul Azzopardi	25,164	<i>a</i>	2,504	5,310	<b>32,978</b>	33,126
Dr Mark Howarth	20,015	<i>a</i>	0	4,223	<b>24,238</b>	24,086
Dr David Steinsaltz	15,011	<i>a</i>	0	3,167	<b>18,178</b>	24,086
Dr Conrad Leyser	50,736	<i>b</i>	0	10,705	<b>61,441</b>	59,313
Prof Laura Ashe	56,954	<i>b</i>	0	12,017	<b>68,971</b>	68,200
Prof Kim Dora	20,015	<i>a</i>	290	4,223	<b>24,528</b>	25,771
Dr Antonis Papachristodoulou	20,015	<i>a</i>	1,177	4,223	<b>25,415</b>	25,228
Dr Michail Peramatzis	48,525	<i>b</i>	0	10,239	<b>58,764</b>	58,309
Dr Zofia Stemplowska	20,015	<i>a</i>	0	4,223	<b>24,238</b>	27,965
Prof Felix Parra Diaz	20,015	<i>a</i>	1,019	4,223	<b>25,257</b>	23,363
Dr Josephine van Zeben	0		0	0	0	9,118
Dr James Edwards	44,027	<i>b</i>	0	9,290	<b>53,317</b>	51,893
Dr Steven Methven	0		0	0	0	29,419
Mrs Coleen Day	12,318		1,644	2,340	<b>16,302</b>	91,030
Mr Mark Bainbridge	50,114		0	10,574	<b>60,688</b>	61,592
Rev Dr Tess Kuin Lawton	41,161		0	9,874	<b>51,035</b>	51,139
Dr Peta Fowler	28,265		0	5,673	<b>33,938</b>	34,464
Dr Alice Violet	28,547		0	5,673	<b>34,220</b>	32,329
Prof Andrzej Murawski	20,015	<i>a</i>	0	4,223	<b>24,238</b>	24,086
Dr Ton Van Den Bremer	3,928	<i>a</i>	7,195	829	<b>11,952</b>	26,411
Dr Robert Smith	10,592	<i>a</i>	9,594	2,188	<b>22,374</b>	27,440
Dr Hauke Marquardt	20,015	<i>a</i>	3,198	4,223	<b>27,436</b>	27,865
Dr Merve Emre	33,432	<i>b</i>	10,519	7,054	<b>51,005</b>	53,395
Mr Gareth Prior	87,113		0	18,381	<b>105,494</b>	105,262
Dr Marchella Ward	32,234		0	6,801	<b>39,035</b>	38,952
Dr Lisa Wedding	10,370	<i>a</i>	10,702	2,188	<b>23,260</b>	22,362
Mr Michael Mayo	56,172		0	10,794	<b>66,966</b>	58,364
Dr Laura Quick	41,601	<i>b</i>	0	8,778	<b>50,379</b>	48,653
Dr Leah Trueblood	38,396		0	8,102	<b>46,498</b>	41,633
Dr Natalia Waights-Hickman	29,435		10,676	6,117	<b>46,228</b>	34,604

**WORCESTER COLLEGE**  
**Notes to the Financial Statements**  
**For the year ended 31 July 2021**

**20 TRUSTEES' REMUNERATION** (continued)

	<b>Gross Pay £</b>		<b>Taxable benefits £</b>	<b>Pension Contributions £</b>	<b>2020-21 Total £</b>	2019-20 Total £
Ms Kate Foley	83,755		0	17,672	101,427	24,539
Prof Iain McCulloch	9,981	<i>a</i>	0	2,106	12,087	0

Where indicated the gross pay includes the College part of a joint arrangement with the University on the following scales; *a* University Lecturer, *b* CUF Lecturer, *c* Faculty Lecturer.

There were twelve trustees during the year who were not employees of the College and did not receive remuneration. All employed trustees, together with other senior employees, are eligible for private health insurance as part of their package of remuneration.

All trustees may eat at common table, as can all other employees who are entitled to meals while working. No fellow claimed any expenses for work as a trustee.

**Other transactions with trustees**

During the year the partners of some trustees were paid for providing tutorials for students of the College.

**Key management remuneration**

The total cost of remuneration paid to key management was £989k (2020: £971k). Key management are considered to be the College officers and senior as staff identified on pages 2 -3 of these financial statements.

**21 PENSION SCHEMES**

The College participates in two principal pension schemes for its staff - the Universities Superannuation Scheme (USS) and the University of Oxford Staff Pension Scheme (OSPS). The assets of each scheme are 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 Income and Expenditure Account represents the contributions payable to the schemes in respect of the accounting period.

In the event of the withdrawal of any of the participating employers in USS or OSPS, the amount of any pension funding shortfall (which cannot be otherwise recovered) in respect of that employer will be spread across the remaining participating employers and reflected in the next actuarial valuation of the scheme.

The College has also made available the National Employment Savings Trust for employees who are eligible under automatic enrolment regulations to pension benefits but not eligible for either USS or OSPS.

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

**Actuarial valuations**

Qualified actuaries periodically value the USS & 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 are set out below.

	USS	OSPS
Date of valuation:	31/03/18	31/03/19
Date valuation results published:	16/09/19	19/06/20
Value of liabilities:	£67.3bn	£848m
Value of assets:	£63.7bn	£735m
Funding (deficit) / surplus:	(£3.6bn)	(£113m)



**WORCESTER COLLEGE**  
**Notes to the Financial Statements**  
**For the year ended 31 July 2021**

**21 PENSION SCHEMES (continued)**

	USS	OSPS
Principal assumptions: <ul style="list-style-type: none"> <li>• Discount rate</li> <li>• Rate of increase in salaries</li> <li>• Rate of increase in pensions</li> </ul>	CPI –0.73% to CPI +2.52% <b>a</b> n/a CPI <b>c</b>	Gilts + 0.5% -2.25% <b>b</b> RPI Average RPI/CPI <b>d</b>
Assumed life expectancies on retirement at age 65: <ul style="list-style-type: none"> <li>• Males currently aged 65</li> <li>• Females currently aged 65</li> <li>• Males currently aged 45</li> <li>• Females currently aged 45</li> </ul>	24.6 years 26.1 years 26.6 years 27.9 years	21.7 years 24.4 years 23.0 years 25.8 years
Funding Ratios: <ul style="list-style-type: none"> <li>• Technical provisions basis</li> <li>• Statutory Pension Protection Fund basis</li> <li>• 'Buy-out' basis</li> </ul>	95% 76% 56%	87% 74% 60%
Employer contribution rate (as % of pensionable salaries):	21.1% increasing to 23.7% on 01/10/21	19%
Effective date of next valuation:	31/03/20	31/03/22

**a** The discount rate (forward rates) for the USS valuation was:

Years 1-10: CPI + 0.14% reducing linearly to CPI – 0.73%

Years 11-20: CPI + 2.52% reducing linearly to CPI + 1.55% by year 21

Years 21 +: CPI + 1.55%

**b** The discount rate for the OSPS valuation was:

Pre-retirement: Equal to the UK nominal gilt curve at the valuation date plus 2.25% p.a. at each term.

Post-retirement: Equal to the UK nominal gilt curve at the valuation date plus 0.5% p.a. at each term.

**c** Pensions increases (CPI) for the USS valuation were:

Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.3% p.a.

**d** Increases to pensions in payment for the OSPS valuation were:

RPI inflation is derived from the geometric difference between the UK nominal gilt curve and the UK index-linked curve at the valuation date, less 0.3% p.a. at each term. CPI inflation is derived from the RPI inflation assumption, less the Scheme Actuary's best estimate of the long-term difference between RPI and CPI inflation as applies from time to time (1.0% p.a. as at 31 March 2019).

For pension increases linked to inflation, a pension increase curve is constructed based on either the RPI, CPI or the average of the RPI and CPI inflation curves described above, adjusted to allow for the different maximum and minimum annual increases that apply, and the Scheme Actuary's best estimate of inflation volatility as applies from time to time.

**e** The USS and OSPS employer contribution rates include provisions for the cost of future accrual of defined benefits, deficit contributions, administrative expenses and defined contributions.

**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:

**WORCESTER COLLEGE**  
**Notes to the Financial Statements**  
**For the year ended 31 July 2021**

**21 PENSION SCHEMES** (continued)

Assumption	USS Change in assumption	Impact on USS liabilities
Initial discount rate	increase 0.1%	decrease by £1.2bn
Asset values	reduce by 10%	increase by £6.4bn
RPI – CPI spread	increase 0.1%	decrease by £0.7bn
Rate of mortality	more prudent assumption (mortality rated down by a further year)	increase by £1.6bn

Assumption	OSPS Change in assumption	Impact on OSPS technical provisions
Valuation rate of interest	decrease by 0.25%	increase by £45m
RPI	increase by 0.25%	increase by £40m

**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 principal assumptions used in these calculations are tabled below:

	2020/21		2019/20	
	OSPS	USS	OSPS	USS
Finish Date for Deficit Recovery Plan	31/01/28	31/03/28	30/01/28	31/03/28
Average staff number increase	0%	0%	0%	0%
Average staff salary increase	2.00%	2.00%	2.00%	2.00%
Average discount rate over period	0.89%	0.89%	0.74%	0.63%
Effect of 0.5% change in discount rate	£10k	£20k	£13k	£19k
Effect of 1% change in staff growth	£12k	£10k	£12k	£10k

A provision of £1,539k has been made at 31 July 2021 (2020 - £1,581k) 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:

	<b>2021</b>	2020
	<b>£'000</b>	£'000
<b>Scheme</b>		
Universities Superannuation Scheme	<b>535</b>	(178)
University of Oxford Staff Pension Scheme	<b>268</b>	198
Other Schemes Contributions	<b>17</b>	16
	<b>820</b>	36

Included in other creditors are pension contributions payable of £nil (2020: £nil).

**Post balance sheet event update for USS relating to the March 2020 Valuation**

Since the year end, following the completion of the 2020 actuarial valuation, a new dual rate schedule of contributions has been agreed with an effective date of 1 October 2021. Recalculating the USS provision on the basis of these contributions would result in an increased obligation to fund a deficit of £2,819k, an increase of £1,785k.

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

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

**WORCESTER COLLEGE**  
**Notes to the Financial Statements**  
**For the year ended 31 July 2021**

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**22 TAXATION**

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

No liability to corporation tax arises in the College's subsidiary company because the directors of this company have indicated that they intend to make donations each year to the College equal to the taxable profits of the company under the Gift Aid scheme. Accordingly, no provision for taxation has been included in the financial statements.

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

	<b>2021</b>	2020
	<b>£'000</b>	£'000
<b>Net income</b>	<b>(514)</b>	(1,714)
Elimination of non-operating cash flows:		
– Investment income	<b>(1,655)</b>	(1,611)
– Endowment donations	<b>(449)</b>	(775)
Depreciation	<b>1,050</b>	1,107
Decrease/ (increase) in stock	<b>1</b>	6
Decrease in debtors	<b>414</b>	186
(Decrease) / increase in creditors	<b>(25)</b>	(488)
(Decrease)/ increase in pension scheme liability	<b>(42)</b>	(772)
<b>Net cash used in operating activities</b>	<b>(1,220)</b>	(4,061)

**24 CAPITAL COMMITMENTS**

The College had no contracted commitments at 31 July for capital projects (2020: £nil).

**25 RELATED PARTY TRANSACTIONS**

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. For reporting purposes, the University and the other Colleges are not treated as related parties as defined in FRS102.

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.

Two properties (2020: 4) are owned under joint equity agreements between the Trustees, named below, 50% and the College, 50%. Full market values of the properties, following an inspection valuation carried out by Carter Jonas LLP:

	<b>2021</b>	2020
	<b>£'000</b>	£'000
Dr J Parrington	<b>844</b>	783
Prof J Quinn	<b>751</b>	700
Prof G Ritchie	<b>0</b>	505
Prof B Harris	<b>0</b>	744

These trustees do not receive Housing Allowance. All joint equity properties are subject to sale on the departure of the trustee from the College.

**WORCESTER COLLEGE**  
**Notes to the Financial Statements**  
**For the year ended 31 July 2021**

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**25 RELATED PARTY TRANSACTIONS (continued)**

Two Trustees (Dr Ben Morgan and Professor Robert Saxton) had a family member or other connected party who was employed by the College on either a permanent or casual basis during the year; neither of these Trustees had supervisory responsibility for the relevant employee or was involved in their recruitment, and all cases have been declared in the register of Trustees' interests. The total value of these transactions was £13,626.

A proportion of the College's endowed funds are held at arm's length in the Worcester College Oxford Endowment Trust, which is not controlled by the College but which has the support of the College as its principal charitable objective. The Trust has agreed under a memorandum of understanding to make the College an annual grant (currently at 4.25% of the value of the Trust's assets at year-end).

**26 CONTINGENT LIABILITIES**

There were no known contingent liabilities.

**27 POST BALANCE SHEET EVENTS**

There are no post balance sheet events to report.

**28 ULTIMATE CONTROLLING PARTY**

The Trustees believe that the College does not have an Ultimate Controlling Party.