

Charity Registration No. 1143479

Worcester College

Annual Report and Financial Statements

Year ended 31 July 2022

WORCESTER COLLEGE
Annual Report and Financial Statements
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WORCESTER COLLEGE

Governing Body, Officers and Advisers

Year ended 31 July 2022

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 up to the date of approval of these financial statements, 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	•	•	•	•	•		•		•
Dr Simon Cowan	Interim Vice Provost	•	•	•		•		•	•	
Prof Kate Tunstall				•						
Prof Robert Saxton	(to 30/789/21)									
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) Dean of Degrees (from 1/9/21)			•						
Prof Deborah Cameron							•			
Prof Josephine Quinn				•		•				
Prof Andreas Willi										•
Prof Julian Roberts	(to 30-9-22) Garden Master					•				
Prof Endre Süli		•		•						
Prof Grant Ritchie				•						
Prof Bob Harris				•						
Dr Paul Azzopardi	Dean			•	•				•	
Dr Mark Howarth	Demitted 31-8-22			•	•					
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		•								
Mr Mark Bainbridge	Fellow Librarian	•							•	
Rev Dr Tess Kuin Lawton	Chaplain demitted 19-11-21			•						
Dr Alexander Sturgis										
Dr Peta Fowler				•	•			•		
Dr Alice Violet				•						
Dr Andrzej Murawski		•		•						
Dr Robert Smith		•		•						

WORCESTER COLLEGE

Governing Body, Officers and Advisers

Year ended 31 July 2022

MEMBERS OF THE GOVERNING BODY (continued)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Dr Hauke Marquardt	•		•						
Dr Merve Emre			•	•				•	
Mr Gareth Prior									
Dr Marchella Ward			•		•			•	
Dr Lisa Wedding			•						
Dr Michael Mayo			•					•	
Dr Laura Quick			•					•	
Dr Leah Trueblood			•						
Dr Natalia Waights-Hickman			•						
Prof Tsilly Dagan	•								
Ms Kate Foley	•				•		•		
Prof Iain McCulloch	•		•						
Prof Daniel Neyland	•	•	•	•			•	•	
Mr Mike Huggins									
Prof Emmanuel Breuillard									
Prof Jennifer Walshe			•						
Mr Simon Boddie	•								
Dr Paulo Savaget									
Dr Wouter Mostert			•						
Prof Patricia Clavin									
Dr Ronelle Roth									
Dr Leila Ullrich									

During the year the activities of the Governing Body were carried out through nine principal committees. The membership of these committees during the academic year 2021/22 is shown above for each Fellow.

- (1) Finance Committee
- (2) Academic Strategy Committee
- (3) Tutors' Committee
- (4) Domus Committee
- (5) Development and External Relations Committee
- (6) Audit and Risk Committee
- (7) Buildings Committee
- (8) Human Resources Committee
- (9) Remuneration Committee

Other business is conducted through further committees which 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.

WORCESTER COLLEGE

Governing Body, Officers and Advisers

Year ended 31 July 2022

Membership details for all committees are available on request.

COLLEGE SENIOR STAFF

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

Ms Heidi Madden	Home Bursar (from 6-9-21 to 11-3-22)
Mr Harmohinder Bahl	Home Bursar (from 5-9-22)
Mr Richard Noonan	Head of Works (to 31-7-22)
Mrs Jayne Stoddart	Interim Head of Works (from 1-8-22)
Ms Patricia Pease	College Accountant (to 22-5-22)
Ms Leigh MacNeill	College Accountant (from 18-7-22)
Mr Wilf Stephenson	Interim Finance and Estates Bursar (from 27-9-21 to 25-2-22)
Dr Lizzy Emerson	Interim Senior Tutor (from 1-9-22)

COLLEGE ADVISERS

Investment managers

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

Auditor

Moore Kingston Smith LLP
6th Floor
9 Appold Street
London
EC2A 2AP

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

The Members of the Governing Body present their Annual Report for the year ended 31 July 2022 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

The College is governed by its Statutes dated 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 chaired by 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 an external Chair. 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 three 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. The Finance Committee has one external member. A sub-committee of the Finance Committee, the Investment Sub-Committee, meets once each term to consider the College's investment strategy. The Investment Sub-Committee has two external members.
- **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. The Audit and Risk Committee has four external members.
- **Academic Strategy Committee (meets once per term or more frequently 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.
- **Remuneration Committee (usually meets once per year)**
The Remuneration Committee advises the Governing Body of the remuneration of Trustees employed by the College. It has three external members.

Further committees meet regularly to discuss specific areas of the College (including Sustainability, Chapel, Library, IT, 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 the Vice Provost, the Finance & Estates Bursar, the Senior Tutor, the Dean, the Admissions Tutor, the Home Bursar, the Development Director, the College Accountant, the Librarian, the Director of the Visiting Student Programme and the Outreach Fellow. 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.

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 its 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 is committed to teaching, learning and exchanging ideas which make a positive impact in wider society. As an academic community within the University of Oxford, the College promotes freedom of thought and expression, the integrity of academic research, and the belief that all members of the College should be valued and respected. The College offers a stimulating and supportive teaching and learning environment for students at undergraduate and graduate levels in a wide range of academic disciplines. This is complemented by modern facilities and a range of opportunities for extra-curricular activity.

The College's educational provision works in tandem with the courses of study available to its students within the departments and faculties of the University of Oxford. In particular, the College organises small-group tutorials for undergraduates in which each student's education is steered by research-active academics. This system of supervision, alongside advisors for graduate students, ensures that the College provides an informing, inspiring and challenging learning environment for all its students.

For centuries Worcester College has helped students to achieve their potential and contribute to society after graduation. Alumni have gone on to lead fulfilling professional lives and have made major contributions in their chosen fields, from academia, education, science and the arts, to faith communities, public service, business and the military.

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, students are admitted from a wide range of demographic, financial and cultural backgrounds solely on the basis of their academic ability and potential.

The College provides opportunities for its students to develop their academic knowledge and potential, and the transferable skills they will need to contribute in the workplace and in society more widely. Small-group tutorial and class teaching for undergraduates is supplemented by the provision of a range of teaching and learning facilities, including three libraries and several lecture/seminar rooms. The College also offers a range of welfare, pastoral and administrative systems to support students, as well as social, cultural, and extra-curricular activities.

The Admissions and Access Officer and Outreach Fellow employed by the College undertake outreach and widening-participation work with schools, colleges and individuals and work with the Senior Tutor to develop and implement policies associated with access to Higher Education. 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.

- 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 in a wide range of subject areas including biology, social sciences and the history of art. 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, the College 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 archive or special collections of prints drawings and manuscripts.

- To promote religion

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

The Chapel supports two flourishing choirs; a mixed-voice choir and a choir incorporating boy trebles from Christ Church Cathedral School. The choirs sing regular services of evensong and communion.

Inter-faith 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 separate multi-faith prayer room which is available for all members to use.

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

ACHIEVEMENTS AND PERFORMANCE

Post-Pandemic

As the impact of Covid-19 began to ease, we made concerted efforts to re-open College and to recommence face-to-face teaching and other activities. The academic year began with a mix of face-to-face, hybrid and online teaching, maintaining our high standards while at the same time accommodating multiple needs. Gradually the requirement for these different teaching approaches reduced during the year and we ended 2021-22 fully returned to our usual modes of provision, but now with extra online resources. The same was true of committee meetings which began the year online and have now moved on to a mixture of face-to-face, hybrid and online. Governing Body meetings are held in person. A more conventional service in the dining hall returned during the 2021-22 academic year and from freshers' week onwards we provided as much face-to-face activity in College as possible. Given the on-going impact of Covid-19 cases during the year, we did experience an increase in students applying for mitigating circumstances in relation to assessed work.

New College Strategy

After a series of workshops and following consultation with academic staff, non-academic staff, students and Old Members, the Governing Body adopted a new College Strategy at the end of Trinity Term 2022. The strategy seeks to ensure that Worcester College is a forward looking Oxford College: one that maintains its best traditions but also embraces innovation. The strategy has three elements: (1) the continued promotion of academic excellence and research (2) the development of a strong and inclusive College culture and (3) strong financial stewardship and good governance. The College has established a Strategy Implementation Group which reports regularly to Governing Body.

Access and Admissions

As the academic year progressed, much of our access and outreach work returned to face-to-face engagement. We have organised in person Open Days for the first time since 2019 and these have been well attended. Student Ambassadors have once again been able to take students around Worcester's magnificent grounds and the access and outreach team have worked hard to ensure that Worcester is known within and beyond the University as a welcoming and inclusive community.

The majority of our access work is local to our link areas (Bradford, Calderdale, Kirklees, Leeds, Wakefield and Northamptonshire) as determined by the University's regionalisation scheme. We also run a smaller number of national outreach programmes promoting access to Higher Education and empowering decision-making for applicants from the most under-represented groups. We have also provided additional learning resources and curriculum enrichment projects designed for students from the beginning of secondary education upwards.

We continue to witness the positive effects of this work to see the national population (in which 87% of year 13 children are educated at a state-maintained school) reflected in the College's undergraduate admissions. Among UK students offered places in January 2022 for entry in October 2022, 86.4% applied from state schools (up from 83.5% in 2021).

Overall, 30% of our undergraduate intake were among the most socio-economically and educationally disadvantaged applicants to Oxford, as per the University's metrics. 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 2021 intake just over 25.9% of our UK intake were from BAME backgrounds.

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 significant progress towards achieving these targets: in 2018, 67% of our intake came from 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. In

WORCESTER COLLEGE

Report of the Governing Body

Year ended 31 July 2022

October 2021, 22.8% of our undergraduate intake were from areas with the lowest levels of progression to Higher Education and 21.4% were from the most socio-economically disadvantaged areas.

At the same time as widening participation, the College's examination results have improved and we have moved up the University's Norrington Table. We are now ranked 7th overall in the league table (up 7 places from 2021 and 17 places from 2020), we are ranked 4th among colleges with over 100 finalists, and we are ranked 2nd in the total number of first-class degrees achieved by students. Importantly, we have also eliminated the attainment gap between students from a state school background and students from a privately educated background. Although the results of First Public Examinations suggest that students from private schools perform about 10% better than state school students, a five-year average of Worcester College exam results suggests that by finals, this gap is eliminated entirely. This reflects the huge efforts of everyone involved in teaching and in learning support, including the work of our Learning Development Officer.

Fellowship and Staff

At 31 July 2022 the Governing Body comprised the Provost, 32 Official Tutorial Fellows, 2 Fellow-Lecturers, 6 Official Non-Tutorial Fellows, 7 Professorial Fellows and 9 Supernumerary Fellows. In addition, there were 14 Senior Research Fellows, 1 Supernumerary Fellow (without Governing Body membership) and 5 Junior Research Fellows.

Teaching was further supported by a number of College Lecturers, including 28 Stipendiary appointments and external tuition provided by tutors from across the collegiate University. Eleven terms of sabbatical or special leave for research purposes were granted to a total of six Fellows. A total of 107 non-academic staff (by headcount, not FTE) supported the College's activities.

Student Numbers and Progress

During the 2021-22 academic year there were 442 undergraduates, 200 graduates and 27 visiting students in College, a total of 669 students. In Finals, Worcester's undergraduates obtained 36 Firsts, 58 Upper Seconds, 4 Lower Second and 1 Third. The College is currently 7th in the Norrington Table which shows the relative performance in Finals of each of the Oxford colleges. 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 £301k was disbursed during the year (2021: £400k).

Development

Following the success of the Covid Emergency Appeal, which immediately followed the Tercentenary Campaign, the strategic aim of the Development Office in 2021-22 was to return to a period of consolidation in which we aimed to deepen levels of alumni engagement, broaden our base of supporters and enhance levels of donor stewardship. The aim of this strategy is to pave the way for a more active period of fundraising once the College's priorities for the next phase of its development are agreed. As such, excluding legacies, we experienced an expected dip in overall philanthropic income from the two previous years, which were bolstered by major gifts following the Covid Emergency Appeal, but succeeded in broadening our base of support by increasing numbers of donors.

In 2021-22 we raised £9,059k in new funds and £2,059k in cash received. The largest in-year confirmed pledge was the Bishop Graham legacy estimated at £7m and the largest cash gift received in-year was £250k from the Headley Trust to fund essential repairs to the library roof. Other fundraising highlights included the successful funding of several scholarships. We partnered with the University to establish the Black Academic Futures Scholarship for an outstanding student of Black heritage (ordinarily resident in the United Kingdom), funded entirely through philanthropy totalling £124k. The first holder of the scholarship will join Worcester in 2022-23

and will receive the financial support required to pursue graduate-level study at Oxford. In addition, we have fully funded three new Wiedenfeld-Hoffman Scholarships for outstanding graduate students from around the world to study leadership programmes at Worcester College.

Our overall participation rate (number of annual donors) has continued to increase year-on-year since 2019-20. This follows the establishment in March 2021 of the new dedicated post of Regular Giving Officer and a number of initiatives including a Giving Day, e-Appeal and Telethon. Donor numbers have risen from 6.9% of alumni in 2019-20 (588 donors) to 10.6% (946 donors) in 2021-22. Although this progress is encouraging, the average participation rate across the collegiate University is 15%: we aim to match this in the next five years.

In 2020-21, feedback from the largest alumni questionnaire in our history suggested that 20% of donors did not feel that the College sufficiently demonstrated the impact of their giving. As a result, in 2021-22 we introduced a range of new initiatives to increase transparency and accountability in our fundraising practices and to demonstrate the impact of gifts better. These initiatives included our inaugural Donors' Dinner, the inclusion of a Development Report and Donor Roll in the College *Record*, and our first Donor Report, sent to all donors and published on the College website. This year we also inaugurated the 1714 Society to recognise the 278 donors who have pledged a legacy to the College in their lifetimes. This new group will ensure that these generous supporters are appropriately thanked and involved in the life of the College through, for example, invitations to special events.

The College is deeply grateful to all its generous donors.

FINANCIAL REVIEW

The principal funding sources of the College continue 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 mentioned above.

Total income and endowments for the year were £18,166k (compared with £12,615k in 2020-21). As noted above, this included £9,059k from donations and legacies (compared with £5,464k in 2020-21).

The College's charitable objects continue to be met with resources expended on charitable activities for the year of £14,389k (2021: £12,564k).

Incoming resources from charitable activities in the year, principally fees and residential income were £5,935k compared with £5,119k in 2020-21. Conference activity resumed 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, and legacies and donations. The operating cash deficit increased from £1,220k in 2020-21 to £3,338k in 2021-22, reflecting continued spending (£2m) on the backlog maintenance programme, lower cash donations and rising costs generally. The pension provision increased by £1,942k in the year (2021: £42K decrease) a significant, albeit largely non-cash component of this year's deficit.

All of the College's securities and other investments are managed by Oxford University Endowment Management Limited (OUEM) and total £46,416k (2020-21: £46,983k).

The Trustees have given particular attention to the College's ability to continue as a going concern as it emerges from the direct financial impact of Covid. This has coincided with a predicted reduction in non-legacy donations, a challenging labour market and the profound impact of inflation at a time when educational income remains capped. Generous support by old members makes it possible to continue College activities at their present scale but we continue to examine all our operations to ensure value for money and identify ways of achieving improved financial sustainability on a long-term basis. Having reviewed the current cash position and forecast income and expenditure, and in the light of the College's existing financial resources, 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 costs controlled 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 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. 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 £38,770k (2020-21: £39,194k), represented by a £32,746k fixed asset designated reserve, a £4,833k of long term property investment reserve and free reserves of £1,191k (2020-21: £858k). This is below the Trustees' target for free reserves, but the Trustees take comfort that the number is positive and they plan to build free reserves to the desired level as operating circumstances permit.

The Pension provision of £(3,481)k (2021: £1,539) represents a commitment to pay additional pension contributions over the period to 31 January 2028. 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 £46,416k, (2021: £46,983k) which during the year generated income of £1,748k (2021: £1,655k) and included the recognition of an unrealised loss in the year of (£313k) (2021: gain of £7,635).

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.

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

- 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 are inherent in any charity of the College's size and complexity. These risks are mitigated by 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.

FUTURE PLANS

The College is looking at all aspects of its operations including the size and composition of the student body although we expect any changes to be gradual and evolutionary in nature. 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.

David Isaac CBE took office as Provost on 1 July 2021. Mike Huggins took office as Finance and Estates Bursar on 14 February 2022. Harmohinder Bahl took office as Home Bursar on 5 September 2022. Lizzie Emerson became Interim Senior Tutor on 1 September 2022.

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 at Worcester.

Following the success of the Covid Emergency Appeal, the College's Development Office will revert to the planned period of consolidation and strategic planning. The College will continue to explain its activities and plans to alumni and prospective donors in a series of events, through publications and through the College website.

The College's ongoing essential maintenance programme is planned to continue into the next financial year and represents a significant expenditure commitment. Alongside this, the free reserves will need to be rebuilt 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 control 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 30 November 2022 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 2022

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 2022 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 2022 and of the group's incoming resources and application of resources, including the group's and the College's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of 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 2022

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 2022

- 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 2022

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

Moore Kingston Smith LLP, Statutory Auditor

6th Floor
9 Appold Street
London
EC2A 2AP

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

Date: *20 December 2022*

WORCESTER COLLEGE
Statement of Accounting Policies
Year ended 31 July 2022

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. Having reviewed the current cash position and forecast income and expenditure, and in the light of donations received and pledged to support the College, cost control, fund raising initiatives 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.

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 2022

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2022 Total £'000	2021 Total £'000
INCOME AND ENDOWMENTS FROM:						
Charitable activities						
Teaching, research and residential	1	5,935	-	-	5,935	5,119
Other trading income	3	1,378	-	-	1,378	13
Donations and legacies	2	1,252	689	7,118	9,059	5,464
Investment income	4	6	-	1,742	1,748	1,655
Other income	5	46	-	-	46	364
Total income		<u>8,617</u>	<u>689</u>	<u>8,860</u>	<u>18,166</u>	<u>12,615</u>
EXPENDITURE ON:						
Charitable activities						
Teaching, research and residential	6	11,762	2,627	-	14,389	12,564
Generating funds:						
Fundraising		640	-	-	640	507
Trading expenditure		27	-	-	27	24
Investment management costs		63	-	-	63	34
Total expenditure	6	<u>12,492</u>	<u>2,627</u>	<u>-</u>	<u>15,119</u>	<u>13,129</u>
Net (expenditure)/income before gains		<u>(3,875)</u>	<u>(1,938)</u>	<u>8,860</u>	<u>3,047</u>	<u>(514)</u>
Net gains/(losses) on investments		250	-	(563)	(313)	7,635
Net (expenditure)/income		<u>(3,625)</u>	<u>(1,938)</u>	<u>8,297</u>	<u>2,734</u>	<u>7,121</u>
Transfers between funds		1,259	940	(2,199)	-	-
Net movement in funds for the year		<u>(2,366)</u>	<u>(998)</u>	<u>6,098</u>	<u>2,734</u>	<u>7,121</u>
Fund balances brought forward	17	37,655	3,189	53,495	94,339	87,218
Funds carried forward at 31 July	17	<u>35,289</u>	<u>2,191</u>	<u>59,593</u>	<u>97,073</u>	<u>94,339</u>

WORCESTER COLLEGE
Consolidated and College Balance Sheets
As at 31 July 2022

	Notes	2022 Group £'000	2021 Group £'000	2022 College £'000	2021 College £'000
FIXED ASSETS					
Tangible assets	10	32,945	33,838	32,945	33,838
Property investments	11	4,833	4,583	4,833	4,583
Securities and other investments	12	46,416	46,983	46,416	46,983
		84,194	85,404	84,194	85,404
CURRENT ASSETS					
Stocks		136	132	136	132
Debtors	15	8,471	1,002	8,811	997
Cash at bank and in hand		9,176	10,762	8,686	10,674
		17,783	11,896	17,633	11,803
CREDITORS: falling due within one year	16	(1,423)	(1,422)	(1,273)	(1,329)
NET CURRENT ASSETS		16,360	10,474	16,360	10,474
TOTAL ASSETS LESS CURRENT LIABILITIES		100,554	95,878	100,554	95,878
NET ASSETS BEFORE PENSION LIABILITY		100,554	95,878	100,554	95,878
Defined benefit pension scheme liability		(3,481)	(1,539)	(3,481)	(1,539)
NET ASSETS		97,073	94,339	97,073	94,339
FUNDS OF THE COLLEGE					
	17				
Endowment funds		59,593	53,495	59,593	53,495
Restricted funds		2,191	3,189	2,191	3,189
Unrestricted funds					
Designated fixed assets fund		32,746	33,753	32,746	33,753
General funds (excluding pension reserve)		6,024	5,441	6,024	5,441
Pension reserve		(3,481)	(1,539)	(3,481)	(1,539)
		97,073	94,339	97,073	94,339

The financial statements were approved and authorised for issue by the Governing Body of Worcester College on 30 November 2022.



David Isaac, Provost

WORCESTER COLLEGE
Consolidated Statement of Cash Flows
For the year ended 31 July 2022

	Notes	2022 Group £'000	2021 Group £'000
Net cash used in operating activities	23	<u>(3,338)</u>	<u>(1,220)</u>
Cash flows from investing activities			
Dividends, interest and rents from investments		1,748	1,655
Purchase of property, plant and equipment		(114)	-
Proceeds from sale of investments		-	656
Purchase of investments	11	-	(312)
Net cash provided by investing activities		<u>1,634</u>	<u>1,999</u>
Cash flows from financing activities			
Receipt of endowment		118	449
Net cash provided by financing activities		<u>118</u>	<u>449</u>
Change in cash and cash equivalents in the reporting period		<u>(1,586)</u>	<u>1,228</u>
Cash and cash equivalents at the beginning of the reporting period		10,762	9,534
Cash and cash equivalents at the end of the reporting period		<u>9,176</u>	<u>10,762</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 2022

1 INCOME FROM CHARITABLE ACTIVITIES

	2022	2021
	£'000	£'000
Teaching, research and residential		
Unrestricted Funds		
Tuition fees - UK and EU students	2,096	2,116
Tuition fees - Overseas students	614	625
Other fees	420	219
Other grant support	115	132
Other academic income	177	188
College residential income	2,513	1,839
	<u>5,935</u>	<u>5,119</u>

The above analysis includes £2,825k received from Oxford University from publicly accountable funds under the College Funding Formula Scheme (2021: £2,873k).

2 DONATIONS AND LEGACIES

	2022	2021
	£'000	£'000
Unrestricted funds	1,252	2,987
Restricted funds	689	2,028
Endowed funds	7,118	449
	<u>9,059</u>	<u>5,464</u>

3 INCOME FROM OTHER TRADING ACTIVITIES

	2022	2021
	£'000	£'000
Subsidiary company trading income	393	11
Other trading income	985	2
	<u>1,378</u>	<u>13</u>

4 INVESTMENT INCOME

	2022	2021
	£'000	£'000
Unrestricted funds		
Equity dividends	3	1
Interest on fixed term deposits and cash	3	24
Other investment income	-	-
	<u>6</u>	<u>25</u>
Restricted funds		
Other investment income	-	-
Endowed funds		
Other investment income	1,742	1,630

5 OTHER INCOME

Other income includes grants of £Nil (2021: £354k) claimed from the Coronavirus Job Retention Scheme.

WORCESTER COLLEGE
Notes to the Financial Statements
For the year ended 31 July 2022

6 ANALYSIS OF EXPENDITURE

		2022	2021
		£'000	£'000
Charitable expenditure			
Direct staff costs allocated to :	Teaching, research and residential	7,197	4,858
Other direct costs allocated to:	Teaching, research and residential	4,900	5,684
Support and governance costs allocated to:	Teaching, research and residential	2,292	2,022
		14,389	12,564
Expenditure on raising funds			
Direct staff costs allocated to :	Fundraising	417	343
	Trading Expenditure	27	20
Other direct costs allocated to:	Fundraising	134	105
	Trading expenditure	-	-
Support and governance costs allocated to:	Fundraising	89	59
	Trading expenditure	-	4
	Investment management costs	63	34
		730	565
		15,119	13,129
	Fundraising	640	507
	Trading Expenditure	27	24
	Investment management costs	63	34
		730	565

The 2022 resources expended of £15,119k represented £12,492k from unrestricted funds and £2,627k from restricted funds. In 2021 resources expended of £13,129k represented £8,795k from unrestricted funds and £4,334k from restricted funds.

7 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

	Generating Funds	Teaching Research & Residential	2022 Total
	£'000	£'000	£'000
Financial and domestic admin	60	534	594
Human resources	42	329	371
IT	38	366	404
Depreciation	-	1,007	1,007
Other finance charges	12	31	43
Governance costs	-	25	25
	152	2,292	2,444

WORCESTER COLLEGE
Notes to the Financial Statements
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7 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS (continued)

	Generating Funds £'000	Teaching Research & Residential £'000	2021 Total £'000
Financial and domestic admin	50	452	502
Human resources	16	173	189
IT	27	306	333
Depreciation	-	1,050	1,050
Other finance charges	-	21	21
Governance costs	4	20	24
	<u>97</u>	<u>2,022</u>	<u>2,119</u>

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.

	2022 £'000	2021 £'000
Governance costs comprise:		
Auditor's remuneration – audit services	<u>25</u>	<u>24</u>

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

8 GRANTS AND AWARDS

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

		2022 £'000	2021 £'000
Grants to individuals from:			
Unrestricted funds	Scholarships, prizes and grants	27	25
	Bursaries and hardship awards	<u>36</u>	<u>3</u>
		<u>63</u>	<u>28</u>
Restricted funds	Scholarships, prizes and grants	268	134
	Bursaries and hardship awards	<u>124</u>	<u>238</u>
		<u>392</u>	<u>372</u>
Total grants and awards		<u>455</u>	<u>400</u>

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 £178k in bursaries in 2021-22 (2020-21: £262k).

WORCESTER COLLEGE
Notes to the Financial Statements
For the year ended 31 July 2022

9 STAFF COSTS

The aggregate payroll costs for the year were as follows:

	2022	2021
	£'000	£'000
Salaries and wages	5,161	4,707
Social security costs	465	421
Pension costs	893	873
	6,519	6,001
Pension provision adjustment	1,942	(53)
	8,461	5,948

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

	2022	2021
Tuition and research	172	185
College residential	83	87
Fundraising	5	5
Support	19	17
Total	279	294

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

	2022	2021
Tuition and research	53	56
College residential	59	77
Fundraising	4	5
Support	19	15
Total	135	153

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

	2022	2021
University Lecturers	16	19
CUF Lecturers	12	12
Other teaching and research	7	7
Other	3	4
Total	38	42

Salary and wages costs include severance costs of £16,053 for two 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:

	2022	2021
£60,001 to £70,000	2	2

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

WORCESTER COLLEGE
Notes to the Financial Statements
For the year ended 31 July 2022

10 TANGIBLE FIXED ASSETS

Group and College	Freehold Land and Buildings £'000	Fixtures, Fittings and Equipment £'000	Total £'000
Cost			
At start of year	44,603	1,584	46,187
Additions	-	114	114
At end of year	44,603	1,698	46,301
Depreciation			
At start of year	11,046	1,303	12,349
Charge for the year	885	122	1,007
At end of year	11,931	1,425	13,356
Net book value			
At end of year	32,672	273	32,945
At start of year	33,557	281	33,838

Included within Fixtures, Fittings and Equipment above are intangible assets of £80k cost and £77k 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

Group and College	2022 Total £'000	2021 Total £'000
Valuation at start of year	4,583	4,683
Disposals	-	(656)
Additions and improvements	-	312
Revaluation gains in the year	250	244
Valuation at end of year	4,833	4,583

A formal inspection valuation of the College properties was prepared by Mark Charter MRICS of Carter Jonas LLP as at 31 July 2022. Governing Body is satisfied that these valuations remain materially accurate at the balance sheet date.

WORCESTER COLLEGE
Notes to the Financial Statements
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12 SECURITIES AND OTHER INVESTMENTS

	2022	2021
Group and College	£'000	£'000
Valuation at start of year	46,983	39,592
Increase/(decrease) in value of investments	(567)	7,391
Valuation at end of year	46,416	46,983

Group and College investments comprise:

	Held outside the UK £'000	Held in the UK £'000	2022 Total £'000	2021 Total £'000
Global multi-asset funds	44,816	1,600	46,416	46,983

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

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.

Worcester College	2022	2021	Worcester College Enterprises Limited	2022	2021
	£'000	£'000		£'000	£'000
Income	18,165	12,816	Turnover	455	11
Expenditure	(15,117)	(13,119)	Expenditure	(191)	(10)
Gains/(losses)	(313)	7,635			
Result for the year	2,735	7,332	Result for the year	264	1
			Donation to College (gift aid)	(264)	(212)
				-	(211)
Total assets	101,827	97,207	Total assets	720	107
Total liabilities	(4,754)	(2,868)	Total liabilities	(720)	(107)
Net funds at the end of year	97,073	94,339	Net funds at the end of year	-	-

WORCESTER COLLEGE
Notes to the Financial Statements
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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
	Investment	Total Return		
	£'000	£'000	£'000	£'000
At the beginning of the year:				
Gift component of the permanent endowment	16,071	-	16,071	-
Unapplied total return	-	9,831	9,831	-
Expendable endowment	-	-	-	27,593
Total Endowments	16,071	9,831	25,902	27,593
Movements in the reporting period:				
Gift of endowment funds	7,069	-	7,069	48
Investment return: total investment income	-	843	843	899
Investment return: realised and unrealised gains and losses	-	(275)	(275)	(288)
Other transfers	-	-	-	-
Total	7,069	568	7,637	659
Unapplied total return allocated to income in the reporting period	-	(675)	(675)	-
Expendable endowments transferred to income	-	-	-	(1,523)
Net movements in reporting period	7,069	(107)	6,962	(864)
At end of the reporting period:				
Gift component of the permanent endowment	23,140	-	23,140	-
Unapplied total return	-	9,724	9,724	-
Expendable endowment	-	-	-	26,729
Total Endowments	23,140	9,724	32,864	26,729

WORCESTER COLLEGE
Notes to the Financial Statements
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14 STATEMENT OF INVESTMENT TOTAL RETURN (continued)

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

15 DEBTORS: falling due within one year

	2022 Group £'000	2021 Group £'000	2022 College £'000	2021 College £'000
Trade debtors	244	86	76	76
Amounts owed by College members	-	172	-	172
Amounts owed by Group undertakings	-	-	508	13
Loans repayable within one year	6	4	6	4
Prepayments and accrued income	8,221	720	8,221	712
Other debtors	-	20	-	20
	8,471	1,002	8,811	997

16 CREDITORS: falling due within one year

	2022 Group £'000	2021 Group £'000	2022 College £'000	2021 College £'000
Trade creditors	472	382	472	376
Amounts owed to College Members	230	416	230	416
Taxation and social security	293	131	292	131
Accruals and deferred income	74	265	74	262
Other creditors	354	228	205	144
	1,423	1,422	1,273	1,329

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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.

Endowment Funds	At 31 July 2021 £'000	Incoming Resources £'000	Resources Expended £'000	Gains / (Losses) £'000	Transfers £'000	At 31 July 2022 £'000
Permanent						
Fellowships	16,806	7,550	-	(178)	(453)	23,725
Research Support	1,217	40	-	(13)	(2)	1,242
Scholarships	2,799	147	-	(30)	(118)	2,798
Studentships	1,280	42	-	(14)	(45)	1,263
Donated Collection	1,484	48	-	(16)	(3)	1,513
Library & Book Conservation	565	18	-	(6)	(13)	564
The Marriott Trust	1,026	33	-	(11)	(10)	1,038
Other Funds	725	36	-	(8)	(34)	719
Expendable						
General Fund	7,919	258	-	(84)	(1,063)	7,030
Fellowships	8,931	293	-	(95)	(311)	8,818
Visiting Fellows	2,055	67	-	(22)	(30)	2,070
Gardens and Grounds	1,464	93	-	(16)	1	1,542
Student Bursaries & Grants	2,455	80	-	(26)	(79)	2,430
Teaching Fund	794	27	-	(8)	-	813
Other Funds	3,975	128	-	(36)	(39)	4,028
Total Endowment Funds	53,495	8,860	-	(563)	(2,199)	59,593
Restricted Funds						
Fellowships	-	-	(763)	-	763	-
Research Support	-	-	(2)	-	2	-
Scholarships	-	-	(116)	-	116	-
Studentships	-	-	(45)	-	45	-
Donated Collection	-	-	(4)	-	4	-
Library & Book Conservation	-	-	(13)	-	13	-
The Marriott Trust	-	-	(10)	-	10	-
Visiting Fellows	-	-	(30)	-	30	-
Student Bursaries & Grants	-	-	(34)	-	34	-
Teaching Fund	-	-	(3)	-	28	25
The Fabric Fund	1,499	250	(1,064)	-	(186)	499
Other Funds	1,690	439	(543)	-	81	1,667
Total Restricted Funds	3,189	689	(2,627)	-	940	2,191
Unrestricted Funds						
General Reserve	858	8,162	(9,352)	-	1,523	1,191
Fixed Assets Designated	33,753	-	(1,007)	-	-	32,746
Designated Reserves	4,583	-	-	250	-	4,833
Pension Reserve	(1,539)	-	(1,942)	-	-	(3,481)
Subsidiary	-	455	(191)	-	(264)	-
Total Unrestricted Funds	37,655	8,617	(12,492)	250	1,259	35,289
Total Funds	94,339	18,166	(15,119)	(313)	-	97,073

WORCESTER COLLEGE
Notes to the Financial Statements
For the year ended 31 July 2022

17 MOVEMENTS OF THE COLLEGE FUNDS (continued)

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

WORCESTER COLLEGE
Notes to the Financial Statements
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17 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 14 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 8 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.

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
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18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2022 Total £'000
Tangible fixed assets	32,945	-	-	32,945
Property investments	4,833	-	-	4,833
Securities and other investments			46,416	46,416
Net current assets	992	2,191	13,177	16,360
Defined benefit pension scheme liability	(3,481)	-	-	(3,481)
	<u>35,289</u>	<u>2,191</u>	<u>59,593</u>	<u>97,073</u>

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

19 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, Fellow Lecturers, Professorial Fellows, Supernumerary Fellows, and Official Non-Tutorial Fellows.

There are three trustees who work almost full time on management and fundraising; Provost (full time), Finance and Estates Bursar (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. Two 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 £1,776,787 (2020-21: £1,771,571). The total of pension contributions is £300,220 (2020-21: £293,663).

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

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19 TRUSTEES' REMUNERATION (continued)

	2022		2021	
	Number of Trustees	Gross Remuneration	Number of Trustees	Gross Remuneration
£5,000 - £5,999	-	-	1	5,258
£8,000 - £8,999	1	8,343	-	-
£9,000 - £9,999	1	9,197	-	-
£10,000 - £10,999	-	-	1	10,738
£11,000 - £11,999	-	-	2	23,511
£12,000 - £12,999	-	-	1	12,087
£13,000 - £13,999	-	-	1	13,245
£14,000 - £14,999	1	14,638	1	14,524
£15,000 - £15,999	2	30,424	-	-
£16,000 - £16,999	-	-	2	32,918
£17,000 - £17,999	1	17,113	-	-
£18,000 - £18,999	-	-	1	18,178
£22,000 - £22,999	-	-	1	22,374
£23,000 - £23,999	-	-	1	23,260
£24,000 - £24,999	-	-	5	121,744
£25,000 - £25,999	5	128,880	3	76,603
£26,000 - £26,999	2	52,546	-	-
£27,000 - £27,999	1	27,243	2	54,544
£28,000 - £28,999	3	85,109	-	-
£32,000 - £32,999	-	-	1	32,978
£33,000 - £33,999	-	-	1	33,938
£34,000 - £34,999	1	34,720	1	34,220
£35,000 - £35,999	1	35,056	-	-
£37,000 - £37,999	1	37,751	-	-
£39,000 - £39,999	-	-	1	39,035
£42,000 - £42,000	2	85,564	-	-
£46,000 - £46,999	1	46,475	2	92,726
£47,000 - £47,999	1	47,277	-	-
£49,000 - £49,999	-	-	1	49,110
£50,000 - £50,999	1	50,839	1	50,379
£51,000 - £51,999	-	-	2	102,040
£53,000 - £53,999	-	-	1	53,317
£55,000 - £55,999	2	111,356	1	55,568
£56,000 - £56,999	1	56,472	-	-
£58,000 - £58,999	-	-	1	58,764
£59,000 - £59,999	1	59,501	-	-
£60,000 - £60,999	-	-	3	182,089
£61,000 - £61,999	-	-	1	61,441
£63,000 - £63,999	1	63,950	-	-
£65,000 - £65,999	1	65,077	-	-
£66,000 - £66,999	2	133,681	1	66,966
£67,000 - £67,999	1	67,460	1	67,104
£68,000 - £68,999	2	136,915	1	68,971
£69,000 - £69,999	1	69,993	-	-
£70,000 - £70,999	1	70,034	-	-
£87,000 - £87,999	-	-	1	87,020
£95,000 - £95,999	1	95,001	-	-
£101,000 - £101,999	-	-	1	101,427
£105,000 - £105,999	-	-	1	105,494
£136,000 - £136,999	1	136,175	-	-
	40	1,776,787	45	1,771,571

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19 TRUSTEES' REMUNERATION (continued)

There were five 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 £1,023k (2021: £989k). Key management are considered to be the Provost, the Vice Provost, the Finance & Estates Bursar, the Senior Tutor, the Dean, the Admissions Tutor, the Home Bursar, the Development Director, the College Accountant, the Librarian, the Director of the Visiting Student Programme and the Outreach Fellow.

20 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 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 were:

	USS	OSPS
Date of valuation:	31/03/20	31/03/19
Date valuation results published:	30/09/21	19/06/20
Value of liabilities:	£80.6bn	£848m
Value of assets:	£66.5bn	£735m
Funding (deficit) / surplus:	(£14.1bn)	(£113m)

WORCESTER COLLEGE
Notes to the Financial Statements
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21 PENSION SCHEMES (continued)

	USS	OSPS
Principal assumptions:		
• Discount rate	Fixed Interest gift yield curve plus 1%- 2.75% a	Gilts + 0.5% -2.25% b
• Rate of increase in salaries	n/a	RPI
• Rate of increase in pensions	CPI +0.05% c	Average RPI/CPI d
Assumed life expectancies on retirement at age 65:		
• Males currently aged 65	23.9 years	21.7 years
• Females currently aged 65	25.5 years	24.4 years
• Males currently aged 45	25.9 years	23.0 years
• Females currently aged 45	27.3 years	25.8 years
Funding Ratios:		
• Technical provisions basis	83%	87%
• Statutory Pension Protection Fund basis	64%	74%
• 'Buy-out' basis	51%	60%
Employer contribution rate (as % of pensionable salaries) e :	21.1% to 21.4% from 01/10/21	19%
Effective date of next valuation:	31/03/23	31/03/22

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

Fixed interest gift yield curve plus: Pre-retirement 2.75%, post-retirement 1.00%

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 1.1% p.a to 2030, reducing linearly by 0.01% p.a. to a long term difference of 0.01% p.a. from 2040.

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 2022

21 PENSION SCHEMES (continued)

Assumption	USS Change in assumption	Impact on USS liabilities
Initial pre-retirement discount rate	increase 0.25%	decrease by £1.3bn
Post-retirement discount rate	Decrease by 0.25%	increase by £2.8bn
CPI	decrease 0.1%	decrease by £1.5bn
Life expectancy	more prudent assumption (reduce the adjustment to the line base mortality table by 0.5%.	increase by £1.2bn
Rate of mortality	more prudent assumption (increase the annual mortality improvements long-term rates by 0.2%	Increase by £0.6bn

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:

	2021/22		2020/21	
	OSPS	USS	OSPS	USS
Finish Date for Deficit Recovery Plan	31/01/28	31/03/28	31/01/28	31/03/28
Average staff number increase	3.00%	0%	0%	0%
Average staff salary increase	2.00%	2.00%	2.00%	2.00%
Average discount rate over period	0.89%	0.89%	0.89%	0.89%
Effect of 0.5% change in discount rate	£10k	£20k	£10k	£20k
Effect of 1% change in staff growth	£12k	£10k	£12k	£10k

A provision of £3,481k has been made at 31 July 2022 (2021 - £1,539k) 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:

	2022 £'000	2021 £'000
Scheme		
Universities Superannuation Scheme	793	535
University of Oxford Staff Pension Scheme	440	268
Other Schemes Contributions	1	17
	<u>1,234</u>	<u>820</u>

Included in other creditors are pension contributions payable of £Nil (2021: £nil).

WORCESTER COLLEGE
Notes to the Financial Statements
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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

	2022	2021
	£'000	£'000
Net income	3,047	(514)
Elimination of non-operating cash flows:		
– Investment income	(1,748)	(1,655)
– Endowment donations	(7,118)	(449)
Depreciation	1,007	1,050
(Increase)/ decrease in stock	(4)	1
(Increase)/decrease in debtors	(465)	414
Increase) / (decrease) in creditors	1	(25)
Increase) / (decrease) in pension scheme liability	1,942	(42)
Net cash used in operating activities	(3,338)	(1,220)

24 CAPITAL COMMITMENTS

The College had no contracted commitments at 31 July for capital projects (2021: £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 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:

	2022	2021
	£'000	£'000
Dr J Parrington	820	844
Prof J Quinn	730	751

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

One Trustee (Dr Ben Morgan) 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 £14,168.

WORCESTER COLLEGE
Notes to the Financial Statements
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25 RELATED PARTY TRANSACTIONS (continued)

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.

