



Somerville College

Annual Report and Financial Statements

Year ended 31 July 2023

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SOMERVILLE COLLEGE

Governing Body, Officers and Advisers

Year ended 31 July 2023

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 members of the Governing Body during the year or subsequently are detailed below:

| | | 1 | 2 | 3 | 4 | 5 |
|-------------------------------------|----------------------|---|---|---|---|---|
| Baroness Janet Royall, Principal | Principal | • | • | • | • | • |
| Professor Prateek Agrawal | | | | • | | |
| Professor Daniel Anthony | | | | • | | |
| Professor Jonathan Burton | | • | | • | | |
| Professor Dan Ciubotaru | | • | | • | | |
| Professor Robert Davies | | | | | | |
| Professor Julie Dickson | | | | • | | |
| Professor Samantha Dieckmann | | | | • | • | |
| Professor Beate Dignas | | | | • | | |
| Professor Emily Flashman | | | | • | | |
| Professor Christopher Hare | Dean (until 6/23) | • | | • | | |
| Professor Michael Hayward | | | • | • | | |
| Professor Michelle Jackson | | | | • | • | |

SOMERVILLE COLLEGE
Governing Body, Officers and Advisers
Year ended 31 July 2023

| | | | | | | |
|-----------------------------|--|---|---|---|---|---|
| Ms Sara Kalim | Development Director | | | | • | |
| Professor Simon Kemp | | | • | • | | |
| Professor James Kirkpatrick | | | • | • | | |
| Professor Robin Klemm | | • | | • | | |
| Professor Margaryta Klymak | | | | • | | |
| Professor Markos Komaditis | | | | • | | |
| Professor Aditi Lahiri | Retired 09/22 | | | • | | |
| Professor Renaud Lambiotte | | | | • | | |
| Dr Anne Manuel | Librarian, Archivist & Head of IT Retired 09/22 | • | | • | • | • |
| Professor Lois McNay | Vice Principal | • | • | • | | |
| Professor Louise Mycock | | | | • | | |
| Professor Karen Nielsen | | | | • | | |
| Dr Natalia Nowakowska | | | | • | • | |
| Professor Patricia Owens | | • | | • | | |
| Mr Andrew Parker | Treasurer & Domestic Bursar | • | • | • | • | • |
| Professor Vivien Parmentier | Resigned 10/22 | | | • | | |
| Professor Luke Pitcher | Dean (from 4/23) | | | • | | |

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Governing Body, Officers and Advisers
Year ended 31 July 2023

| | | | | | | |
|----------------------------------|---------------|---|---|---|---|---|
| Professor Charlotte Potts | | | • | • | | |
| Dr Stephen Rayner | Senior Tutor | • | • | • | | • |
| Professor Stephen Roberts | | | | • | | • |
| Professor Elena Seiradake | | | | • | | |
| Professor Steven Simon | | | | • | | |
| Professor Iyiola Solanke | | | | • | | |
| Professor Francesca Southerden | | | | • | | |
| Professor Charles Spence | | | | • | | |
| Professor Fiona Stafford | | | | • | | |
| Professor Richard Stone | Retired 09/22 | | | • | | |
| Professor Almut Suerbaum | | | | • | | |
| Professor Annie Sutherland | | • | | • | | |
| Professor Rajesh Thakker | Retired 09/22 | | | • | | |
| Professor Benjamin Thompson | | | | • | • | |
| Dr. Damian Tyler | | | | • | | |
| Professor Konstantina Vogiatzaki | | | | • | | |
| Professor Philip West | | | | • | | |
| Professor Matthew Wood | | | | • | | |
| Professor Faridah Zaman | | | • | • | | |
| Professor Noa Zilberman | | | | • | | • |

SOMERVILLE COLLEGE
Governing Body, Officers and Advisers
Year ended 31 July 2023

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

- (1) Standing Committee
- (2) Finance, HR & Equality Committee
- (3) Education Committee
- (4) Development Committee
- (5) IT Committee

COLLEGE OFFICERS

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

| | |
|--------------------------------------|------------------------------|
| Principal | <i>Baroness Janet Royall</i> |
| Senior Tutor | <i>Dr Stephen Rayner</i> |
| Treasurer (Finance & Estates Bursar) | <i>Mr Andrew Parker</i> |
| Domestic Bursar | <i>Mr Andrew Parker</i> |
| Development Director | <i>Ms Sara Kalim</i> |
| Librarian & Archivist & Head of IT | <i>Ms Sarah Butler</i> |

COLLEGE ADVISERS:

- Investment managers - Newton Investment Management Ltd and Oxford University Endowment Management
- Investment property advisers – Cluttons & Bidwells
- Auditors - Crowe U.K. LLP
- Bankers - Barclays Bank Plc
- Solicitors - Penningtons LLP
- College address - Woodstock Road Oxford OX2 6HD
- Website www.some.ox.ac.uk

SOMERVILLE COLLEGE

Report of the Governing Body Year ended 31 July 2023

The Members of the Governing Body present their Annual Report for the year ended 31 July 2023 under the Charities Act 2011 together with the audited financial statements for the year.

REFERENCE AND ADMINISTRATIVE INFORMATION

Somerville College in the University of Oxford, which is known as Somerville College, (“the College”) is a tax-exempt educational institution governed by a Charter and Statutes. The College was founded under the title of Somerville Hall in 1879 by a committee chaired by Dr Percival as a non-denominational hall of residence for women and in 1881 was incorporated as an association not intended for profit under the Companies Acts of 1862 and 1867. The title of College was adopted in 1894.

The College registered with the Charities Commission on 22nd December 2010 (registered number 1139440). 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 governing document of the College is the 1951 Charter and Statutes of Somerville College, Oxford. In 1926 the College was incorporated by Royal Charter as “The Principal and Council of Somerville College”. In 1951 its statutes were amended to restrict membership of the Governing Body to the Principal and Fellows. In 1959, when it was admitted with the other Women’s Societies as a full College of the University, its corporate designation became “The Principal and Fellows of Somerville College in the University of Oxford”. The Special Statute of 1961 amended Paragraph (c) of Article 3 of the Charter concerning the investment objectives. In 1992 the Charter and Statutes were changed to enable the admission of men at both senior and junior level.

Governing Body

The Governing Body is constituted and regulated in accordance with the College Statutes, the terms of which are enforceable ultimately by the Visitor, who is the Chancellor of the University of Oxford. The Governing Body is self-appointing, and has such powers as are conferred on it by its Charter and, subject thereto and to the Statutes, has the entire direction and management of the affairs of the College.

The Governing Body appoints the Principal, Fellows, Senior Tutor, Tutors, Lecturers, Librarian, Treasurer and such administrative and other Officers as the Governing Body thinks necessary from time to time. The Governing Body appoints Committees and delegates to them such powers as it thinks fit.

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

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Report of the Governing Body
Year ended 31 July 2023

Recruitment and training of Members of the Governing Body

New members of the Governing Body are normally recruited through a joint appointment process with the University of Oxford in the case of academics which includes open advertisement of the posts and a professional selection and appointment process. In the case of posts funded solely by the College, recruitment is also through open advertisement of the post followed by a professional selection and appointment process including external representatives as appropriate. New members of the Governing Body are inducted into the workings of the College, including Governing Body policy and procedures, through meetings with the Principal, the Senior Tutor and the Treasurer and the provision of a comprehensive set of reference documents.

Members of the Governing Body attend external trustee training and information courses as appropriate to keep them informed on current issues in the sector and on regulatory requirements.

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 [or University] and receive no remuneration or benefits from their trusteeship of the College. Those trustees that are also employed officers of the College either have their remuneration set by the College's Remuneration Committee (The Principal, The Treasurer, The Development Director) or in line with the College's established paygrade system (The Senior Tutor, The Librarian). The majority of members of Remuneration Committee are either Professorial Fellows not in receipt of remuneration from the College or independent external appointments. Where possible, remuneration is set in line with that awarded to the University's academic staff, or external market forces where appropriate. College Officers, the key management team, are set out on page 5.

Organisational management

The members of the Governing Body meet between seven and nine times a year. The work of developing their policies and monitoring their implementation is carried out by the following committees:

- **Standing Committee**
Responsibility for agreeing the agenda for meetings of Governing Body; developing academic and other strategies for the College, and monitoring decision-making, and developments that bear on these strategies; considering academic appointments and bids for association with University posts; considering requests for buy-outs and leave, with particular attention to their impact on teaching resources; receiving the reports of ad hoc working groups; discussing items which by reason of their complexity and difficulty are beyond the remit of other committees, or which need further attention beyond that given to them in a specialised committee, e.g. Finance Committee; giving close consideration to policy issues within the wider University, and external bodies, in preparation for consultation with the Governing Body.
- **Finance, HR & Equality Committee**
Responsibility for advising the Governing Body on all matters of financial policy and practice, and in particular on the financial implications of any proposals under consideration; presenting annual statements of accounts for the preceding year; approval of budgets and review of management accounts for each period; authorising exceptional expenditure from revenue and making recommendations in respect of capital expenditure; reviewing the college's investments and properties and income drawdown from investments; annual review of all charges made by the College; review of policy and administration relating to conferences, and approval of levels of charges; review of salaries for all College employees and others paid by the College as advised by the Remuneration Committee; considering other financial issues, as appropriate. Finance Committee also has responsibility for, HR, equality and diversity issues.

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- **Education Committee**
Responsibility for general policies and planning on teaching and learning; the progress, industry and conduct of undergraduates and graduates; the awarding of scholarships, exhibitions and prizes from the appropriate funds, and carrying out an annual review of award holders; examination results; the awarding of course and travel grants from the appropriate funds; the initiation of the College's academic disciplinary procedures in cases of students who fail to meet the standard of application and attendance expected by his or her Tutor; review and report to the Governing Body on the progress and welfare of student members and make recommendations to the Governing Body for the award of College scholarships, exhibitions and prizes.
- **Development Committee**
Responsibility for recommendations on development and fundraising strategy and activities, liaison with the Development Board, which consists of external members.
- **IT Committee**
Responsibility for developing recommendations on IT strategy, service levels and IT projects and provision of guidance and assistance to the IT function within the College.

The Governing Body is also supported by additional committees, including Nominations and Remuneration.

The day-to-day running of the College is delegated to the Principal, the Senior Tutor, and the Treasurer. They form a management team together with the Librarian and the Director of Development.

Group structure and relationships

The College administers many special trusts, as detailed in Notes 18 to 19 to the financial statements.

The College also has two wholly owned non-charitable subsidiaries: Somerville College Trading Limited, and Somerville College Developments Limited both of whose profits are donated to the College under the Gift Aid Scheme. The trading activities of Somerville College Trading Limited primarily comprise revenue from letting of the College facilities when not in use by the College. Somerville College Developments Limited is the vehicle through which the college undertakes major capital projects. The subsidiaries' aims, objectives and achievements are covered in the relevant sections of this report. The Margaret Thatcher Scholarship Trust, which is a company limited by guarantee is also part of the Group. The Trust has one member, Somerville 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.

Risk management

The College is engaged in risk assessment on an on-going basis. Policies and procedures within the College are reviewed by the Finance Committee, chaired by the Principal. Financial and investment risks are assessed and monitored by the Finance Committee. In addition, the Treasurer, and department heads meet regularly to review operational and health and safety issues. Training courses and other forms of career development are available, when requested, to members of staff to enhance their skills in risk-related areas.

The Governing Body, who have ultimate responsibility for managing any risks faced by the College, have given consideration to the major risks to which the college and its subsidiaries are exposed and have concluded that adequate systems are in place to manage these risks. It is recognised that systems can provide only reasonable but not absolute assurance that major risks have been managed.

The four principal risks identified in the college's risk register are:

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- The impact of the UK leaving the European Union on students, academics and funding. The decision to leave the EU will have a significant adverse impact on research funding and on the college's ability to attract EU students and EU academics. The only mitigation available is to lobby government.
- The potential impact of the Teaching Excellence Framework on college funding and its academic reputation. The inappropriate application of the TEF may lead to the reputation of the college's teaching being damaged, which in turn may lead to reduced funding. Possible mitigation is to lobby government in the hope of influencing the application of the TEF.
- The escalating housing costs in Oxford act as a barrier to high calibre academics coming to college which in turn risks damaging academic achievement and reputation. Mitigations available are the joint equity scheme available to Fellows, the availability of some rental properties and paying housing allowance to Fellows.
- The impact of reduced government funding on teaching and research. Reduced government funding risks eroding the quality of teaching and research and risks damaging Oxford and Somerville's ability to compete internationally for the best academics and the best students. The best mitigation available to us is to lobby central government through the University.

OBJECTIVES AND ACTIVITIES

Charitable Objects and Aims

The college's Objects are:

- To provide for women and men who are members of the University of Oxford the protection and training of an Academic House and, with that object, to carry on the work of the old Association (known as Somerville Hall) with such modifications and changes as may from time to time appear desirable.
- To do all such other things as are incidental or conducive to advancing education, learning and research in Oxford and elsewhere.

The Governing Body is mindful of the long-standing requirement to provide public benefit and of the disclosure requirements of the Charities Act 2011. In this connection the Governing Body has monitored closely the general and supplemental guidance produced by the Charity Commission, in particular its public benefit guidance on advancement of education and on fee-charging.

The college's aims for the public benefit are:

- To advance education, learning and research, in particular by providing, in conjunction with the University of Oxford, an education for 463 undergraduate and 265 graduate students. This education is recognised internationally as being of the very highest standard and develops students academically, personally and socially, preparing them to play a full and effective role in society. In particular, the College provides:
 - teaching facilities and individual or small-group teaching, together with academic, pastoral and administrative support;
 - IT and other administrative support and welfare services, including the availability of the Junior Deans to assist every member of the College; and
 - social, cultural, musical, recreational and sporting facilities to enable students to realise as much as possible of their academic and personal potential whilst studying at the College.
- To advance research by providing:
 - official Fellowships, Career Development Fellowships, and Junior and Senior Research Fellowships to outstanding academics, to enable them to develop their research work and disseminate their research in the public domain; and

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- facilities and grants to assist with the pursuit of research, including grants for attendance at national and international academic conferences and assistance with the costs of research trips and research materials.

The aims set for the college's subsidiary is to help finance the achievement of the college's aims as above.

Activities and objectives of the College

The college's principal activity, as specified in the college's objects is to provide for members of the University of Oxford the protection and training of an Academic House.

In 2022.23, the College had 463 undergraduates and 265 graduates and admitted students in the following subjects: Biochemistry; Biological Sciences; Chemistry; Classics (including Joint Schools); Classical Archaeology & Ancient History; Computer Science; Engineering; English (including Joint Schools); Psychology, Philosophy and Linguistics; History (including Joint Schools); Law; Linguistics; Mathematics; Medicine; Modern Languages (including Joint Schools); Music, Philosophy, Politics & Economics; and Physics.

In order to assist undergraduates entitled to student support, the College provides, through a scheme operated in common with the University and other Colleges, bursary support for those of limited financial means. For the academic year 2022.23, the number of awards made was 85; 53 of the awards were for £3k or more; and the average value of the awards was £3.3k, with a total of £287k being disbursed in the year. The scheme is approved by the Office of Fair Access and provides benefits at a substantially higher level than the minimum OFFA requirement.

To support the costs of graduate students, the College provides substantial financial support. This includes scholarships to fund fees and living costs, 'top-up' funding to fill funding shortfalls in students' funding packages and a grant scheme to assist with the purchase of books and equipment, attendance at conferences and travel grants. The total amount expended by the College to graduate students in 2022.23 for this purpose was £395k.

The College also makes awards for academic development and has various scholarships and prizes available to reward academic excellence. During 2022.23 the College awarded £216k for this purpose.

In addition to its other programmes, the College operates a discretionary support scheme for students in financial difficulty and provides access to similar schemes operated by the University. For the academic year 2022.23 the College awarded £21k in discretionary loans and grants and provided £84k of free vacation residence.

A programme to encourage legacies to be made to the College is in place and annual fundraising campaigns include the provision of support for students suffering financial hardship.

Public benefit

The college remains committed to the aim of providing public benefit in accordance with its founding principles.

The college admits as students those who have the highest potential to benefit from the education provided by the college and the university and recruits as academic staff those who are able to contribute most to the academic excellence of the college. In the case of both students and academic staff, recruitment is regardless of financial, social, religious or ethnic background, age or gender:

- there are no geographical restrictions to those who may benefit from the college's aims and objects. Students and academic staff of the college are drawn from across the UK and internationally;

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- there are no age restrictions in the college's objects but students of the college are predominantly between 18 and 24 years old; and
- there are no religious restrictions in the college's objects and members of the college have a wide variety of faith traditions or none.

To raise educational aspiration and attract outstanding applicants who might not otherwise have considered applying to the college, the college operates an extensive outreach programme as part of University-wide initiatives to widen access. This programme is under the responsibility of the Senior Tutor and includes an extensive programme of visits by schools to the college, open days, admissions symposia for teachers as well as visits to schools and guidance and information on the college website for prospective applicants.

The college maintains an extensive library so providing a valuable resource for students and Fellows of the college. The college makes its library available to members of other colleges and the University of Oxford more widely, external scholars and researchers, as well as local children from maintained and other schools as part of educational visits.

The Trustees confirm that they have complied with the duty in Section 17 (5) of the Charities Act 2011 to have due regard to the guidance issued by the Charity Commission on public benefit.

Academic

The academic year 2022.23 was the first full academic year with fully face to face teaching and no special social distancing requirements since the pandemic.

The number of first choice undergraduate applications specifically to Somerville was 554. This was 'topped up' by allocation of open applications to make an initial applicant pool of 721 in 2022.23, slightly up on the year before.

Owing mainly to concerns about possible pandemic-related risks, the collegiate university decided to hold admissions interviews online again in Michaelmas Term 2022. This was the third time that interviews had been conducted entirely online and the operation ran generally smoothly, although some difficulties were encountered. The ultimate success of the operation was thanks, as ever, to the hard work of tutors and Academic Office staff.

The 2022.23 admissions cycle continued to show something of a transitional nature. Following the significant over-recruitment in the summer of 2020 and the very cautious approach in the cycle that followed, in which almost no open offers were made and the total number of offers was much lower than normal, 136 offers (including open offers) were made in the 2021.22 admissions cycle, which is intermediate between a 'normal' year and the very cautious approach adopted in 2020.21.

All colleges subsidise the cost of teaching at Oxford and it will remain the case that only about half of the true costs are met from fees. With the level of UK fees being capped in absolute terms and costs rising substantially, the proportion of the costs of teaching that are covered by UK fees is likely to decline further. The shortfall is covered by overseas fees (which can be raised at the discretion of the University), endowment income, income from commercial activities and income from philanthropy (donations and legacies). At Somerville almost 25% of our UK domiciled undergraduates receive additional financial assistance. In the 2022.23 admissions cycle, 74.4% of UK domiciled undergraduate applicants come from state schools, which is essentially the same as the figure for the University (74.1%). 74.3% of UK offer holders were state-educated at the point of application (University figure 70.4%).

During 2022.23 the university undertook the recruitment of the first ever cohort of students for its new 'Astrophoria Foundation Year'. Somerville is participating to the extent of admitting one student in History and one in PPE. It is perhaps inevitable that candidates for the Foundation Year, selected to have come

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from backgrounds of particular disadvantage where that disadvantage has significantly adversely affected their educational prospects that many candidates did not satisfy their offer conditions but Somerville's candidates comfortably exceeded their offer conditions and will take up their places in October 2023.

The full range of in-person access activities was possible in 2022.23. This is potentially significant for Somerville because it is easier to bring the college to the notice of visitors to Oxford than it is to compete for their attention online. Our Access team of Hannah Pack and Eren Slate was unchanged and they threw themselves into activities including particularly roadshows at our still relatively new link regions of Portsmouth and the Isle of Wight with great energy and enthusiasm. Our Inreach Officer, Orla Lavery, conducted some really important surveys of our students to help identify how best we can support our on-course students from underrepresented backgrounds. This will provide a helpful knowledge base that will facilitate support for target communities in college.

The Oxford India Centre for Sustainable Development (OICSD) continues to develop and enhance its reputation as a forum for research focused on sustainable development in India, particularly of an interdisciplinary nature. Professor Radhika Khosla continued as Research Director researching into the impact of increasing demand for cooling systems as the planet heats up for which she and her colleagues had won major funding. Dr Siddharth Arora, continued as Programme Director. As ever, we are grateful to many distinguished academics from various fields who have contributed to the events and sense of community that are highlights of the OICSD.

The total number of OICSD scholars in the year was 19 with some of our research students having to extend their studies due to disruption arising from the global pandemic. We expect our scholars to successfully complete their DPhils in due course. The Covid scholarship extension scheme has now closed and no further extensions are expected.

MTST

In 2022.23 we welcomed ten new Thatcher Scholars: five undergraduates (of which two are international students), and five graduate students, of which 2 were on Masters courses and three undertaking DPhil studies. We were able to match with the Clarendon scheme to leverage another scholarship in Physics. This has proved beneficial to both scholarships schemes and we would seek to replicate this with all Divisions where possible. With the Thatcher Scholars continuing their studies from previous years, this brought the total number of scholars in college to 28, and the number of alumni to 19.

The Somerville Development Programme was renamed the Skills Hub and while benefitting all Somerville students, continues to be funded through the MTST.

Owing to pressure on the endowment, we will halt Development Awards from next year. This can be reviewed when more stability returns to the markets. In this last round, there were 16 applications and nine awards made ranging from £308.70 to £1,500. A total of £9,856.70 was awarded; one awardee was able to return £230 of their award and so a total of £9,626.70 was expended.

Junior Research Fellows

In 2022.23 Somerville hosted twenty-three Junior Research Fellows, spanning an enormous range of academic disciplines, with high quality applicants and great competition for places. The presence of such a large, diverse and talented population of researchers contributes significantly to the Somerville College community and enables these early career researchers to build interdisciplinary links. The range of studies has been immense, from subjects such as Medicine, Classics, Maths, Linguistics, Philosophy and others, with top rank quality being the only thing they all have in common.

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Fellows

The college continues to have a diverse Fellowship which is active in teaching and research. There is insufficient room to summarise the research of all our Fellows but some highlights, in no particular order, are given here. Professor Julie Dickson (Professor of Legal Philosophy and Tutor in Law) published her latest book, 'Elucidating Law', through Oxford University Press. Professor Patricia Owens (Professor of International Relations and Tutor in Politics) won the British International Studies Association's Susan Strange Prize for 'Best Book in International Series' for her book 'Women's International Thought: Towards a New Canon', which Professor Owens co-edited. Professor Michelle Jackson (Associate Professor of Freshwater Ecology and Tutor in Biology) was awarded multiple grants including a £400,000 grant to allow her research team to investigate the effects of pollution on freshwater ecology. Professor Robin Klemm (Associate Professor of Physiological Metabolism and Tutor in Medicine) was also awarded multiple grants, including £178,000 from Diabetes UK to tackle type 2 diabetes by reducing chronic release of toxic amount of fatty acids from fat cells.

Somerville Fellows also continued to play a key role within the collegiate university although we look forward to two of them returning to college teaching duties. Professor Benjamin Thompson completed an extended term as Associate Head (Education) of the Humanities Division and will now have a well-earned period of research leave in 2024. Professor Almut Suerbaum completed her term as Chair of the Faculty of Medieval and Modern Languages at the start of 2022.23, having served through possibly the most challenging possible period with international upheaval in the form of the pandemic and the Russian invasion of Ukraine, which both posed huge challenges for languages students. We look forward to Professor Suerbaum returning to teaching our students in 2023.24 but we have agreed to allow her to reduce her obligations a little so that she can lead the Faculty's work on gender equality for the Athena Swann award scheme.

College Officers play key roles on various Conference of Colleges committees, including ICT Steering Committee, the committees of Estates Bursars, College Librarians and many more.

Providing a world-class education for our students, as well as for the generation of students to come after them, remains our highest priority. The current financial pressures on young people with regard to the higher education which will be vital in preparing them to make their way in the world today are well documented. It continues to be our firm resolution is that no student with the academic ability to study at Somerville should be unable to take up or continue with their place due to financial pressures.

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Fundraising, alumni relations and communications

Despite the difficult macro-economic environment and the cost-of-living crisis affecting many of our alumni and friends, we have had a very successful fundraising year, with over £3.5 million in cash received against last year's just under £2 million. This year's standout donation was a gift of nearly £900,000 to establish the Dr Peggie Rimmer Sanctuary Fund, a drawdown pot to support our Sanctuary Scholars and academics at risk. We also received over £380,000 as a second donation towards the Goulding Bequest, to promote excellence in the study of French literature. We received six legacy donations, all unrestricted, totalling over £700,000, including one of £100,000 and another of over £450,000.

This year, nearly £578,000 came in for our Annual Fund (now known as the Somerville Fund), including nearly £400,000 in unrestricted donations. Our telethon, moved to December because of the Queen's death and, like last year, involving a much smaller calling team than in previous years, brought in nearly £180,000 in new funds raised. In HT23 our Spring Mailing raised over £32,000 and our crowdfunding appeal for a new lift in the MCR nearly £21,000. In TT23 we had repeat success in holding an online auction (following our first in 2021), raising over £70,000.

We had a busy year for events, with online elements now used to supplement in-person meetings. We held our inaugural Cedar Circle event to steward our regular donors, in addition to our established Supporters' Lunch, hosted a celebration for our Sanctuary Scholars, and a Literary Tea with Simon Russell-Beale and Emma Smith. Other highlights included our first carol concert to be held at Temple Church, a wonderful 70th Anniversary Reunion, and events in Berlin and Paris as well as the South West of England. In addition, we held our first event for the Penrose Society (formerly Will Power), our legacy society.

In terms of communications, the main themes of the year have been film, editorial and internal comms. In relation to film, the team worked with many current students to produce a suite of four new Access and Outreach films articulating Somerville's unique offering to prospective future students. Our communications team also retained the services of Mya Padget, creator of the Somerville at 140 film, as its collaborator on the RISE campaign. Together, they are currently filming key figures from across the Somerville community (academics, students and alumni) to capture the excitement and potential of RISE. The results will be showcased in a bespoke campaign film and microsite featuring supplementary films and content. It has also been a strong year for publications, with a packed Donor Report followed by a very well-received Magazine which contained several exposés relating to the theme of academic justice, reinforcing Somerville's status as catalyst for positive change. Finally, the communications team has been working hard to make the Somerville community feel more connected and cohesive through a series of internal comms innovations. This includes the creation and dissemination of a new weekly events email and the installation of new digital screens around college featuring news, rolling social media and forthcoming events.

We continue to take seriously our adherence to GDPR and ethical fundraising, and are undertaking a review of our guidance on accepting donations. We have not received any complaints about our fundraising activities during the period covered by this report.

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FINANCIAL REVIEW

Summary

The dominant feature of the year was the £3.4m fall in the value of our endowment from £94.2m in July 2022 to £90.9m. This is the third year in succession that the value of our endowment has fallen (it was £95m in July 2021). Unfavourable macro-economic conditions meant that there was insufficient underlying growth in the endowment invested with OUEM to fund the drawdown we needed to fund college operations in the year – the total return drawdown for the year was £3.65m and the net investment loss on the endowment was £4.2m.

Overall net assets fell by £5.1m (2%) to £228m, of which £1.7m was in unrestricted funds and £3.4m was in endowment funds. With fixed asset depreciation of £2.4m in the year the underlying unrestricted surplus was £0.7m – largely as expected and sufficient to help fund capital expenditure and continue to build the sinking fund to repay the private bond. Restricted funds fell slightly to £2.6m, despite Peggy Rimmer's £0.9m donation to set up a Sanctuary Scholarship fund, reflecting a temporary increase in the use of student support funds to minimize the impact of high inflation on our students' living costs in college.

Income from students for tuition fees and rent was up by £0.4m (6%), significantly below inflation as the college subsidized rent and catering costs. Net trading income was up by £0.3m (31%) with conference and commercial income completing its recovery from Covid. Donations and legacies were up by £1.1m, largely because of Peggy Rimmer's donation highlighted above.

Overall costs increased by just £0.1m as the college worked hard to contain any further inflationary increase in its costs, anxious to hold down the drawdown from the endowment as much as possible, given its recent lack of growth.

The only significant movement in the balance sheet was the reduction on the value of other investments, reflecting the drawdown from the endowment.

Reserves policy

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

Rebuilding the free reserves after a period of sustained capital investment has been a priority over recent years but these have been significantly reduced by the impact of Covid 19. Free reserves now stand at £(0.4)m (2022: £0m). Increasing these free reserves will be a priority as the college recovers over the next few years with the anticipated reduction of the pension provision (£2.0m) next year, as the USS pension scheme returns to a surplus, expected to provide a significant boost.

In addition to this the college has set aside £0.5m to fund anticipated future capital expenditure. There is also a designated fund representing a sinking fund to repay the private bonds when they fall due. At July 2023 this stood at £3.3m (2022; £3.1m).

SOMERVILLE COLLEGE
Report of the Governing Body
Year ended 31 July 2023

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.

Investment risk is hedged by splitting our investments between OUEM and Newton. The College operates a total return policy on its investments with OUEM and Newton.

The investment strategy, policy and performance are monitored by the Finance Committee. At the year end, the Group's long-term investments, combining the securities, property and other investments, totalled £105m, slightly down from £109m in 2022.

FUTURE PLANS

The College's future plans as agreed by the Governing Body are set out in the College Strategic Development Plan. The core elements of this are:

- To balance more effectively the complementary but often contradictory demands of teaching and research so that Fellows' research time is better resourced, and Fellows have the space to deliver high quality teaching,
- To refocus resources on the Fellowship and to reposition it at the centre of the college so that it becomes the expression and embodiment of the college's commitment to academic excellence and ambition,
- To raise the academic profile of our undergraduate and graduate students and to strengthen, through evolution and reinforcement, the culture of academic excellence and high expectation,
- To promote access and diversity across all areas of college activity and to continue to work to include the excluded, and
- To improve the support we offer to our graduate students.

Specific development plans have been agreed for the separate departments within the College to ensure that the College continues to enhance its ability to provide a first-class education.

SOMERVILLE COLLEGE
Report of the Governing Body
Year ended 31 July 2023

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 in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

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 incoming or outgoing resources for that period. In preparing these financial statements, the Governing Body is required to:

- select the most suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and 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 College has cash resources and has no further requirement for external funding in excess of current facilities. The Trustees have a high expectation that the College has adequate resources to continue in operational existence for the foreseeable future. In making their assessment the Trustees have considered the impact on the business of Covid-19 including the ability of the College to continue to operate as a College of the University of Oxford. They continue to believe the going concern basis of accounting appropriate in preparing the annual financial statements.

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 29th November 2023 and signed on its behalf by:

Baroness Jan Royall
Principal

SOMERVILLE COLLEGE
Auditor's Report
Year ended 31 July 2023

Opinion

We have audited the financial statements of Somerville College ('the charity') and its subsidiaries ('the group') for the year ended 31 July 2023 which comprise the Consolidated Statement of Financial Activities, Consolidated and Charity Balance Sheets, Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 July 2023 and of the group's income and receipt of endowments and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial

SOMERVILLE COLLEGE
Auditor's Report
Year ended 31 July 2023

statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 17, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011, and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

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

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

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

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

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

SOMERVILLE COLLEGE
Auditor's Report
Year ended 31 July 2023

compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation, Health and Safety and Taxation legislation.

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

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, sample testing of income transactions to supporting documentation and reading minutes of meetings of those charged with governance.

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

Use of our report

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

Crowe U.K. LLP

Statutory Auditor

Reading

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

SOMERVILLE COLLEGE
Statement of Accounting Policies
Year ended 31 July 2023

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 subsidiaries Somerville College Trading Limited and Somerville College Developments Limited, as well as the Margaret Thatcher Scholarship Trust. 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.

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

The 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. Incoming resources from fee income, OfS support and other charges for services

Fees receivable, OfS support and charges for services and use of the premises are accounted for in the period in which the related service is provided.

4. Incoming resources from donations, legacies and Government grants

Voluntary income is accounted for when the College has entitlement to the funds, the amount can be reliably quantified and there is reasonable certainty of its ultimate receipt.

Voluntary income received without restriction as to utilization or for the general purpose of the College is credited to unrestricted funds.

Voluntary income which is subject to specific wishes of the donor is 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 otherwise than in cash, they are valued at the market value of the underlying assets received at the date of receipt.

Payments under the Government's furlough scheme are recognised when receivable and classified as other income in the SOFA

5. Investment income

Interest on bank balances and fixed interest securities is accounted for in the period to which the interest relates.

SOMERVILLE COLLEGE
Statement of Accounting Policies
Year ended 31 July 2023

Dividend income and similar distributions are accounted for in the period in which they become receivable.

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

6. Expenditure

Expenditure is accounted for on an accrual's basis. Indirect expenditure is apportioned to expenditure categories 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.

Grants awarded are expensed as soon as they become legal or operational commitments.

Governance costs comprise the costs of complying with constitutional and statutory requirements.

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

7. Leases

Rentals payable under operating leases are charged in the SOFA on a straight-line basis over the relevant lease terms.

The cost of the assets held under finance leases is included within fixed assets and depreciation is charged in accordance with the accounting policy for each class of asset concerned. The corresponding capital obligations under these leases are shown as liabilities. The finance charge element of rentals is charged to the Statement of Financial Activities and classified within finance costs as incurred.

8. Tangible fixed assets

Expenditure on the acquisition, construction or enhancement of land and buildings costing more than £5,000 together with expenditure on equipment costing more than £5,000 is capitalised and carried in the balance sheet at historical cost.

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

9. 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 | 100 years |
| Leasehold properties | 100 years or period of lease if shorter |
| Building improvements | 10 - 30 years |
| Equipment | 3 - 10 years |

Freehold land is not depreciated. The costs of maintenance are charged in the Statement of Financial Activities in the period in which it is incurred.

SOMERVILLE COLLEGE
Statement of Accounting Policies
Year ended 31 July 2023

10. Investments

Investment properties are valued as individual investments at their market values as at the balance sheet date. Purchases and sales of investment properties are recognised on exchange of contracts.

Listed investments are valued at their mid-market values as at the balance sheet date. Investments such as hedge funds and private equity funds which have no readily identifiable market value are included at the most recent valuations from their respective managers.

Gains and losses arising on the investments are credited or charged to the Statement of Financial Activities and are allocated to the appropriate Fund according to the "ownership" of the underlying assets.

11. Stocks

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

12. Foreign currencies

Transactions denominated in foreign currencies during the year are translated at prevailing rates of exchange at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates applying at the Balance Sheet date or, where there are related forward foreign exchange contracts, at the contract rates. The resulting exchange differences are taken to the Statement of Financial Activities.

13. Fund accounting

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

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

Restricted funds comprise gifts, legacies and grants where the donors have earmarked funds for specific purposes. They consist of *either* gifts where the donor has specified that both the capital and any income arising must be used for the purposes given *or* the income on gifts where the donor has required that the capital be maintained and the income used for specific purposes.

Permanent endowment funds arise where donors specify that the funds should be retained as capital for the permanent benefit of the College. Any income arising from the capital will be accounted for as unrestricted funds unless the donor has placed restricted the use of that income, in which case it will be accounted for as a restricted fund.

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

SOMERVILLE COLLEGE
Statement of Accounting Policies
Year ended 31 July 2023

14. Pension costs

The College participates in Universities Superannuation Scheme (USS), a hybrid pension scheme, providing defined benefits based on salaries as well as benefits based on contributions, and a group personal pension scheme operated by Aviva (formerly Friends Life).

The assets of the USS scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets applicable to the defined benefit membership are not attributed to individual Colleges and scheme-wide contribution rates are set. The College is therefore exposed to actuarial risks associated with other Universities' and Colleges' employees and is unable to identify its share of the underlying assets and liabilities of the defined benefit scheme on a consistent and reasonable basis.

As required by Section 28 of FRS 102 "Employee benefits", the College accounts for the scheme as if it were a wholly defined contribution scheme and contributions to these schemes are recognised as a liability and an expense in the period in which the salaries to which the contributions relate are payable.

The College has entered into an agreement for the USS scheme (the Recovery Plans) that determine how each employer within the scheme will fund the overall scheme deficit. A liability is recognised at each balance sheet date for the discounted value of the expected future contribution payments under these past service deficit funding agreements, with changes to these liabilities being recognised as an expense in the periods in which the changes occur.

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

| | Notes | Unrestricted Funds £'000 | Restricted Funds £'000 | Endowed Funds £'000 | 2023 Total £'000 | 2022 Total £'000 |
|--|--------|--------------------------------|------------------------------|---------------------------|------------------------|------------------------|
| INCOME AND ENDOWMENTS FROM: | | | | | | |
| Charitable activities: | | | | | | |
| Teaching, research and residential | 1 | 6,970 | - | - | 6,970 | 6,563 |
| Other Trading Income | 3 | 1,094 | - | - | 1,094 | 836 |
| Donations and legacies | 2 | 1,526 | 1,195 | 576 | 3,297 | 2,155 |
| Investments | | | | | | |
| Investment income | 4 | 1,030 | - | 3,893 | 4,923 | 3,993 |
| Total return allocated to income | 14 | 1,696 | 1,954 | (3,650) | - | - |
| Other income | 5 | 61 | - | - | 61 | 57 |
| Total income | | 12,377 | 3,149 | 819 | 16,345 | 13,604 |
| EXPENDITURE ON: | | | | | | |
| Charitable activities: | | | | | | |
| Teaching, research and residential | | 13,314 | 2,761 | - | 16,075 | 15,999 |
| Raising funds: | | | | | | |
| Fundraising | | 392 | 310 | - | 702 | 708 |
| Trading expenditure | | 171 | - | - | 171 | 163 |
| Investment management costs | | 81 | 121 | - | 202 | 209 |
| Total Expenditure | 6 | 13,958 | 3,192 | - | 17,150 | 17,079 |
| Net Income/(Expenditure) before gains | | (1,581) | (43) | 819 | (805) | (3,475) |
| Net (losses)/gains on investments | 11, 12 | (105) | - | (4,179) | (4,284) | (1,537) |
| Net (Expenditure)/Income | | (1,686) | (43) | (3,360) | (5,089) | (5,012) |
| Transfers between funds | 18 | - | - | - | - | - |
| Net movement in funds for the year | | (1,686) | (43) | (3,360) | (5,089) | (5,012) |
| Fund balances brought forward | 18 | 136,069 | 2,663 | 94,218 | 232,950 | 237,962 |
| Funds carried forward at 31 July | | 134,383 | 2,620 | 90,858 | 227,861 | 232,950 |

Somerville College
Consolidated and College Balance Sheets
As at 31 July 2023

| | Notes | 2023 Group £'000 | 2022 Group £'000 | 2023 College £'000 | 2022 College £'000 |
|---|-------|------------------------|------------------------|--------------------------|--------------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 10 | 159,216 | 160,899 | 159,216 | 160,899 |
| Property investments | 11 | 10,292 | 10,397 | 10,292 | 10,397 |
| Other Investments | 12 | 94,377 | 98,488 | 83,610 | 87,146 |
| Total Fixed Assets | | 263,885 | 269,784 | 253,118 | 258,442 |
| CURRENT ASSETS | | | | | |
| Stocks | | 46 | 53 | 46 | 53 |
| Debtors | 15 | 2,521 | 2,053 | 3,149 | 2,776 |
| Investments | | - | - | - | - |
| Cash at bank and in hand | | 305 | 276 | (689) | (718) |
| Total Current Assets | | 2,872 | 2,382 | 2,506 | 2,111 |
| LIABILITIES | | | | | |
| Creditors: Amounts falling due within one year | 16 | 1,904 | 2,109 | 1,570 | 1,952 |
| NET CURRENT ASSETS/(LIABILITIES) | | 968 | 273 | 936 | 159 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 264,853 | 270,057 | 254,054 | 258,601 |
| CREDITORS: falling due after more than one year | 17 | 35,000 | 35,000 | 35,000 | 35,000 |
| NET ASSETS/(LIABILITIES) BEFORE PENSION ASSET OR LIABILITY | | 229,853 | 235,057 | 219,054 | 223,601 |
| Defined benefit pension scheme liability | 22 | 1,992 | 2,107 | 1,992 | 2,107 |
| TOTAL NET ASSETS/(LIABILITIES) | | 227,861 | 232,950 | 217,062 | 221,494 |
| FUNDS OF THE COLLEGE | | | | | |
| Endowment funds | 18 | 90,858 | 94,218 | 80,287 | 83,072 |
| Restricted funds | 18 | 2,620 | 2,663 | 2,620 | 2,663 |
| Unrestricted funds | | | | | |
| Designated funds | 18 | 136,756 | 139,015 | 136,756 | 139,015 |
| General funds | 18 | (381) | (839) | (609) | (1,149) |
| Pension reserve | 22 | (1,992) | (2,107) | (1,992) | (2,107) |
| | | 227,861 | 232,950 | 217,062 | 221,494 |

The financial statements were approved and authorised for issue by the Governing Body of Somerville College on 29 November 2023

Trustee: Jan Royall

Trustee: Andrew Parker

Somerville College
Consolidated Statement of Cash Flows
For the year ended 31 July 2023

| | Notes | 2023 £'000 | 2022 £'000 |
|---|-------|----------------|----------------|
| Net cash provided by (used in) operating activities | 25 | (3,786) | (5,201) |
| Cash flows from investing activities | | | |
| Dividends, interest and rents from investments | | 4,923 | 3,993 |
| Proceeds from the sale of property, plant and equipment | | 178 | - |
| Purchase of property, plant and equipment | | (765) | (385) |
| Proceeds from sale of investments | | 163 | 2,253 |
| Purchase of investments | | (41) | (530) |
| Net cash provided by (used in) investing activities | | 4,458 | 5,331 |
| Cash flows from financing activities | | | |
| Finance costs paid | | (1,219) | (1,380) |
| Receipt of endowment | | 576 | 588 |
| Net cash provided by (used in) financing activities | | (643) | (792) |
| Change in cash and cash equivalents in the reporting period | | 29 | (662) |
| Cash and cash equivalents at the beginning of the reporting period | | 276 | 938 |
| Cash and cash equivalents at the end of the reporting period | 27 | 305 | 276 |

Somerville College
Notes to the financial statements
For the year ended 31 July 2023

1 INCOME FROM CHARITABLE ACTIVITIES

| | 2023 | 2022 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Teaching, Research and Residential | | |
| Unrestricted funds | | |
| Tuition fees - UK and EU students | 1,794 | 1,769 |
| Tuition fees - Overseas students | 1,548 | 1,316 |
| Other HEFCE support | 228 | 205 |
| Other academic income | 242 | 221 |
| College residential income | <u>3,158</u> | <u>3,052</u> |
| | 6,970 | 6,563 |
| Total Teaching, Research and Residential | 6,970 | 6,563 |
| Total income from charitable activities | 6,970 | 6,563 |

The above analysis includes £3,569k received from Oxford University from publicly accountable funds under the CFF Scheme (2022: £3,291k).

To support the strategic priority to fund more graduate scholars and to enable outstanding students to take up their places regardless of their financial position, for graduate students with overseas fee status funded through the Clarendon or UKRI scholarship funding schemes, the college share of the fees waived amounted to £nil (2022: £nil). These are not included in the fee income reported above.

2 DONATIONS AND LEGACIES

| | 2023 | 2022 |
|-------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Donations and Legacies | | |
| Unrestricted funds | 1,526 | 1,271 |
| Restricted funds | 1,195 | 296 |
| Endowed funds | <u>576</u> | <u>588</u> |
| | 3,297 | 2,155 |

3 INCOME FROM OTHER TRADING ACTIVITIES

| | 2023 | 2022 |
|-----------------------------------|--------------|------------|
| | £'000 | £'000 |
| Subsidiary company trading income | 1,080 | 822 |
| Other trading income | <u>14</u> | <u>14</u> |
| | 1,094 | 836 |

4 INVESTMENT INCOME

| | 2023 | 2022 |
|--|--------------|--------------|
| | £'000 | £'000 |
| <i>Unrestricted funds</i> | | |
| Commercial rent | 571 | 575 |
| Equity dividends | 443 | 426 |
| Income from fixed interest stocks | - | - |
| Interest on fixed term deposits and cash | - | - |
| Other investment income | - | - |
| Bank interest | <u>16</u> | <u>2</u> |
| | 1,030 | 1,003 |
| <i>Restricted funds</i> | | |
| Commercial rent | - | - |
| Equity dividends | - | - |
| Income from fixed interest stocks | - | - |
| Interest on fixed term deposits and cash | - | - |
| Other investment income | - | - |
| Other interest | <u>-</u> | <u>4</u> |
| | - | 4 |
| <i>Endowed funds</i> | | |
| Equity dividends | 3,877 | 2,972 |
| Interest on fixed term deposits and cash | (4) | - |
| Other investment income | <u>20</u> | <u>14</u> |
| | 3,893 | 2,986 |
| Total Investment income | 4,923 | 3,993 |

Somerville College
Notes to the financial statements
For the year ended 31 July 2023

| 5 OTHER INCOME | 2023 £'000 | 2022 £'000 |
|--|---------------|---------------|
| Coronavirus Job Retention Scheme Grants | - | 21 |
| Miscellaneous Income | 61 | 36 |
| | <u>61</u> | <u>57</u> |
| | | |
| 6 ANALYSIS OF EXPENDITURE | 2023 £'000 | 2022 £'000 |
| Charitable expenditure | | |
| Direct staff costs allocated to: | | |
| Teaching, research and residential | 6,157 | 5,331 |
| Other direct costs allocated to: | | |
| Teaching, research and residential | 5,847 | 4,846 |
| Support and governance costs allocated to: | | |
| Teaching, research and residential | 4,071 | 5,822 |
| Total charitable expenditure | <u>16,075</u> | <u>15,999</u> |
| | | |
| Expenditure on raising funds | | |
| Direct staff costs allocated to: | | |
| Fundraising | 481 | 506 |
| Other direct costs allocated to: | | |
| Fundraising | 173 | 150 |
| Trading expenditure | 54 | 47 |
| Investment management costs | 182 | 190 |
| Support and governance costs allocated to: | | |
| Fundraising | 48 | 52 |
| Trading expenditure | 117 | 116 |
| Investment management costs | 20 | 19 |
| Total expenditure on raising funds | <u>1,075</u> | <u>1,080</u> |
| Total expenditure | <u>17,150</u> | <u>17,079</u> |

The 2022 resources expended of £17,079k represented £14,572k from unrestricted funds, and £2,507k from restricted funds.

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

The teaching and research costs include College Contribution payable of £nil (2022 - £nil).

Somerville College
Notes to the financial statements
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7 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

| | Generating Funds £'000 | Teaching and Research £'000 | Public Worship £'000 | Heritage £'000 | 2023 Total £'000 |
|-------------------------------|------------------------------|--------------------------------------|----------------------------|-------------------|------------------------|
| Financial administration | 40 | 426 | - | - | 466 |
| Human resources | - | 107 | - | - | 107 |
| IT | - | 269 | - | - | 269 |
| Depreciation | 139 | 2,252 | - | - | 2,391 |
| (Profit)/loss on fixed assets | - | (112) | - | - | (112) |
| Bank interest payable | - | 1,029 | - | - | 1,029 |
| Other finance charges | - | (116) | - | - | (116) |
| Governance costs | 6 | 216 | - | - | 222 |
| | 185 | 4,071 | - | - | 4,256 |

| | Generating Funds £'000 | Teaching and Research £'000 | Public Worship £'000 | Heritage £'000 | 2022 Total £'000 |
|-------------------------------|------------------------------|--------------------------------------|----------------------------|-------------------|------------------------|
| Financial administration | 38 | 424 | - | - | 462 |
| Human resources | - | 97 | - | - | 97 |
| IT | - | 271 | - | - | 271 |
| Depreciation | 146 | 2,300 | - | - | 2,446 |
| (Profit)/loss on fixed assets | - | (55) | - | - | (55) |
| Bank interest payable | - | 1,190 | - | - | 1,190 |
| Other finance charges | - | 1,354 | - | - | 1,354 |
| Governance costs | 3 | 241 | - | - | 244 |
| | 187 | 5,822 | - | - | 6,009 |

Financial and domestic administration, IT and human resources costs are attributed according to the estimated staff time spent on each activity.
 Depreciation costs and profit or loss on disposal of fixed assets are attributed according to the use made of the underlying assets.
 Interest and other finance charges are attributed according to the purpose of the related financing.
 Governance costs are allocated to teaching and research costs

| | 2023 £'000 | 2022 £'000 |
|---|---------------|---------------|
| Governance costs comprise: | | |
| Auditor's remuneration - audit services | 37 | 28 |
| Other governance costs | 185 | 216 |
| | 222 | 244 |

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

| | 2023 £'000 | 2022 £'000 |
|--|---------------|---------------|
|--|---------------|---------------|

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

Unrestricted funds

| | 2023 £'000 | 2022 £'000 |
|---------------------------------|---------------|---------------|
| Grants to individuals: | | |
| Scholarships, prizes and grants | - | - |
| Bursaries and hardship awards | - | - |
| Grants to other institutions | - | - |
| Total unrestricted | - | - |

Restricted funds

| | 2023 £'000 | 2022 £'000 |
|---------------------------------|---------------|---------------|
| Grants to individuals: | | |
| Scholarships, prizes and grants | 795 | 707 |
| Bursaries and hardship awards | 103 | 84 |
| Grants to other institutions | - | - |
| Total restricted | 898 | 791 |

| | | |
|--------------------------------|------------|------------|
| Total grants and awards | 898 | 791 |
|--------------------------------|------------|------------|

The figure included above represents the cost to the College of the Oxford Bursary scheme. Students of this college received £297k (2022: £236k).

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

Somerville College
Notes to the financial statements
For the year ended 31 July 2023

9 STAFF COSTS

| | 2023 | 2022 |
|---|---------------------|--------------|
| | £'000 | £'000 |
| The aggregate staff costs for the year were as follows. | | |
| Salaries and wages | 5,718 | 5,060 |
| Social security costs | 503 | 445 |
| Pension costs: | | |
| Defined benefit schemes | 244 | 1,727 |
| Defined contribution schemes | 373 | 326 |
| Other benefits | 316 | 288 |
| | <u>7,154</u> | <u>7,846</u> |

| | 2023 | 2022 |
|---|-------------------|------------|
| The average number of employees of the College, excluding Trustees, was as follows. | | |
| Tuition and research | 62 | 59 |
| College residential | 132 | 136 |
| Fundraising | 12 | 12 |
| Support | 2 | 2 |
| Total | <u>208</u> | <u>209</u> |

| | | |
|---|------------------|-----------|
| The average number of employed College Trustees during the year was as follows. | | |
| University Lecturers | 29 | 24 |
| CUF Lecturers | 21 | 24 |
| Other | 3 | 3 |
| Total | <u>53</u> | <u>51</u> |

The aggregate value of all settlement payments during the year amounted to £24k (2022: £nil)

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

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

| | | |
|-----------------|-----------------|----------|
| £70,000-£80,000 | 1 | 1 |
| | <u>1</u> | <u>1</u> |

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

| | | |
|---------------------------------|-----------------|----------|
| In defined benefits schemes | - | - |
| In defined contribution schemes | 1 | 1 |
| | <u>1</u> | <u>1</u> |

| | | |
|--|--------------------|-------------|
| The College contributions to defined contribution pension schemes totalled | £11k | £10k |
| | <u>£11k</u> | <u>£10k</u> |

Somerville College
Notes to the financial statements
For the year ended 31 July 2023

10 TANGIBLE FIXED ASSETS

| Group | Assets in course of construction £'000 | Leasehold land and buildings £'000 | Freehold land and buildings £'000 | Fixtures, fittings and equipment £'000 | Total £'000 |
|------------------------------------|---|---|--|---|------------------------|
| Cost | | | | | |
| At start of year | 845 | 17,225 | 158,514 | 4,304 | 180,888 |
| Additions | 403 | - | 282 | 81 | 766 |
| Disposals | - | - | (101) | - | (101) |
| Transfers | (793) | - | 602 | 191 | - |
| At end of year | 455 | 17,225 | 159,297 | 4,576 | 181,553 |
| Depreciation and impairment | | | | | |
| At start of year | - | 1,306 | 15,032 | 3,651 | 19,989 |
| Depreciation charge for the year | - | 173 | 1,941 | 268 | 2,382 |
| Depreciation on disposals | - | - | (34) | - | (34) |
| At end of year | - | 1,479 | 16,939 | 3,919 | 22,337 |
| Net book value | | | | | |
| At end of year | 455 | 15,746 | 142,358 | 657 | 159,216 |
| At start of year | 845 | 15,919 | 143,482 | 653 | 160,899 |

The above includes:

£nil(2022:£nil) of plant and machinery held under finance leases.

£nil (2022:£nil) of fixtures, fittings and equipment held under finance leases.

| College | Assets in course of construction £'000 | Leasehold land and buildings £'000 | Freehold land and buildings £'000 | Fixtures, fittings and equipment £'000 | Total £'000 |
|------------------------------------|---|---|--|---|------------------------|
| Cost | | | | | |
| At start of year | 845 | 17,225 | 158,514 | 4,304 | 180,888 |
| Additions | 403 | - | 282 | 81 | 766 |
| Disposals | - | - | (101) | - | (101) |
| Transfers | (793) | - | 602 | 191 | - |
| At end of year | 455 | 17,225 | 159,297 | 4,576 | 181,553 |
| Depreciation and impairment | | | | | |
| At start of year | - | 1,306 | 15,032 | 3,651 | 19,989 |
| Charge for the year | - | 173 | 1,941 | 268 | 2,382 |
| On disposals | - | - | (34) | - | (34) |
| At end of year | - | 1,479 | 16,939 | 3,919 | 22,337 |
| Net book value | | | | | |
| At end of year | 455 | 15,746 | 142,358 | 657 | 159,216 |
| At start of year | 845 | 15,919 | 143,482 | 653 | 160,899 |

The above includes:

£nil (2022:£nil) of plant and machinery held under finance leases.

£nil (2022:£nil) of fixtures and fittings held under finance leases.

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.

Somerville College
Notes to the financial statements
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11 PROPERTY INVESTMENTS

| Group | Agricultural | Commercial | Other | 2023 | 2022 |
|--|--------------|---------------|----------|----------------|----------------|
| | £'000 | £'000 | £'000 | Total £'000 | Total £'000 |
| Valuation at start of year | - | 10,397 | - | 10,397 | 10,577 |
| Additions and improvements at cost | - | - | - | - | - |
| Disposals | - | - | - | - | - |
| Revaluation (losses)/gains in the year | - | (105) | - | (105) | (180) |
| Valuation at end of year | - | 10,292 | - | 10,292 | 10,397 |

| College | Agricultural | Commercial | Other | 2023 | 2022 |
|--|--------------|---------------|----------|----------------|----------------|
| | £'000 | £'000 | £'000 | Total £'000 | Total £'000 |
| Valuation at start of year | - | 10,397 | - | 10,397 | 10,577 |
| Additions and improvements at cost | - | - | - | - | - |
| Disposals | - | - | - | - | - |
| Revaluation (losses)/gains in the year | - | (105) | - | (105) | (180) |
| Valuation at end of year | - | 10,292 | - | 10,292 | 10,397 |

A formal valuation of the commercial property was prepared by Mr Craig Middleton MRICS of Cluttons LLP as at 31 July 2014. This valuation was updated to 31 July 2023 by Mr Ian Peck of Peck Property Consultants.

Investments property at 31 July 2023 include those with valuations reported on the basis of a material valuation uncertainty.

12 OTHER INVESTMENTS

All investments are held at fair value.

| | 2023 | 2022 |
|---|---------------|---------------|
| | £'000 | £'000 |
| Group investments | | |
| Valuation at start of year | 98,488 | 101,378 |
| New money invested | 386 | 910 |
| Amounts withdrawn | (136) | (2,253) |
| Reinvested income | - | - |
| Investment management fees | (182) | (190) |
| (Decrease)/increase in value of investments | (4,179) | (1,357) |
| Group investments at end of year | 94,377 | 98,488 |
| Investments in subsidiaries | (10,767) | (11,342) |
| College investments at end of year | 83,610 | 87,146 |

| Group investments comprise: | Held outside | Held in | 2023 | Held outside | Held in | 2022 |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | the UK | the UK | Total | the UK | the UK | Total |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Equity investments | 19,941 | 10,784 | 30,725 | 20,064 | 10,814 | 30,878 |
| Property funds | - | 445 | 445 | - | 533 | 533 |
| Fixed interest stocks | 2,720 | 3,530 | 6,250 | 2,520 | 3,370 | 5,890 |
| Alternative and other investments | 39,366 | 16,871 | 56,237 | 41,183 | 17,650 | 58,833 |
| Fixed term deposits and cash | - | 720 | 720 | - | 2,354 | 2,354 |
| Total group investments | 62,027 | 32,350 | 94,377 | 63,767 | 34,721 | 98,488 |

Somerville College
Notes to the financial statements
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13 PARENT AND SUBSIDIARY UNDERTAKINGS

The College holds 100% of the issued share capital in Somerville College Trading Limited, a company providing conference and other event services on the College premises, and 100% of the issued share capital of Somerville College Developments Limited. The College is the sole and controlling member of The Margaret Thatcher Scholarship Trust (Company No. 08600905, Charity No. 1154547).

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

| | Parent College | SCTL | MTST | SCDL |
|------------------------------------|----------------|----------|---------------|----------|
| | £'000 | £'000 | £'000 | £'000 |
| Income | 14,622 | 1,080 | 643 | - |
| Expenditure | (14,769) | (903) | (1,301) | - |
| Donation to College under gift aid | - | (177) | - | - |
| Result for the year | <u>(147)</u> | <u>-</u> | <u>(658)</u> | <u>-</u> |
| Total assets | 254,163 | 1,352 | 11,215 | 27 |
| Total liabilities | (37,100) | (1,352) | (417) | (27) |
| Net funds at the end of year | <u>217,063</u> | <u>-</u> | <u>10,798</u> | <u>-</u> |

During the year a management charge of £108k (2022: £82k) was paid by Somerville College Trading Ltd to the College. At the year end, a balance of £1,023k (2022: £845k) was owed by Somerville College Trading Ltd to the College; a balance of £412k was owed by the Margaret Thatcher Scholarship Trust to the College (2022: £595k), a balance of £18k was owed by Somerville College Developments Ltd to Somerville College (2022: £93k)

14 STATEMENT OF INVESTMENT TOTAL RETURN

The Trustees have adopted a duly authorised policy of total return accounting for the College investment returns from the start of 2020.21. This year, the Trustees decided to take the maximum drawdown available from OUEM of £2M, and a drawdown of £1.65m from Newton.

| | Trust for Investment £'000 | Permanent Endowment Unapplied Total Return £'000 | Total £'000 | Expendable Endowment £'000 | Total Endowments £'000 |
|--|-------------------------------|--|----------------|----------------------------------|------------------------------|
| At the beginning of the year: | | | | | |
| Gift component of the permanent endowment | 25,538 | - | 25,538 | - | 25,538 |
| Unapplied total return | - | 8,598 | 8,598 | - | 8,598 |
| Expendable endowment | - | - | - | 60,082 | 60,082 |
| Total Endowments | 25,538 | 8,598 | 34,136 | 60,082 | 94,218 |
| Movements in the reporting period: | | | | | |
| Gift of endowment funds | 85 | - | 85 | 491 | 576 |
| Recoupment of trust for investment | - | - | - | - | - |
| Allocation from trust for investment | - | - | - | - | - |
| Investment return: total investment income | - | 1,410 | 1,410 | 2,483 | 3,893 |
| Investment return: realised and unrealised gains and losses | - | (1,306) | (1,306) | (2,873) | (4,179) |
| Less: Investment management costs | - | - | - | - | - |
| Other transfers | - | - | - | - | - |
| Total | 85 | 104 | 189 | 101 | 290 |
| Unapplied total return allocated to income in the reporting period | - | (1,322) | (1,322) | (2,328) | (3,650) |
| Transfers between funds | - | - | - | - | - |
| | - | (1,322) | (1,322) | (2,328) | (3,650) |
| Net movements in reporting period | 85 | (1,218) | (1,133) | (2,227) | (3,360) |
| At end of the reporting period: | | | | | |
| Gift component of the permanent endowment | 25,623 | - | 25,623 | - | 25,623 |
| Unapplied total return | - | 7,380 | 7,380 | - | 7,380 |
| Expendable endowment | - | - | - | 57,855 | 57,855 |
| Total Endowments | 25,623 | 7,380 | 33,003 | 57,855 | 90,858 |

Somerville College
Notes to the financial statements
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15 DEBTORS

| | 2023 | 2022 | 2023 | 2022 |
|---|--------------|--------------|----------------|--------------|
| | Group | Group | College | College |
| | £'000 | £'000 | £'000 | £'000 |
| Amounts falling due within one year: | | | | |
| Trade debtors | 908 | 954 | 247 | 144 |
| Amounts owed by College members | 461 | 311 | 461 | 311 |
| Amounts owed by Group undertakings | - | - | 1,453 | 1,533 |
| Prepayments and accrued income | 759 | 490 | 595 | 490 |
| Other debtors | 393 | 298 | 393 | 298 |
| | 2,521 | 2,053 | 3,149 | 2,776 |

16 CREDITORS: falling due within one year

| | 2023 | 2022 | 2023 | 2022 |
|------------------------------|--------------|--------------|----------------|--------------|
| | Group | Group | College | College |
| | £'000 | £'000 | £'000 | £'000 |
| Trade creditors | 552 | 816 | 407 | 808 |
| Taxation and social security | 413 | 317 | 232 | 210 |
| Accruals and deferred income | 450 | 576 | 442 | 534 |
| Other creditors | 489 | 400 | 489 | 400 |
| | 1,904 | 2,109 | 1,570 | 1,952 |

17 CREDITORS: falling due after more than one year

| | 2023 | 2022 | 2023 | 2022 |
|-----------------|---------------|---------------|----------------|---------------|
| | Group | Group | College | College |
| | £'000 | £'000 | £'000 | £'000 |
| Other creditors | 35,000 | 35,000 | 35,000 | 35,000 |
| | 35,000 | 35,000 | 35,000 | 35,000 |

Other creditors consist of a £35M private placement bond secured with Prudential M&G and Legal & General. The private bond placement consists of £10M for 30 years and £10M for 33 years at an interest rate of 3.29%, £5M secured for 30 years at an interest rate of 2.82% and £10m secured for 30 years at an interest rate of 2.29%.

Somerville College
Notes to the financial statements
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18 ANALYSIS OF MOVEMENTS ON FUNDS

| | At 1 August 2022 £'000 | Incoming resources £'000 | Resources expended £'000 | Transfers £'000 | Gains/ (losses) £'000 | At 31 July 2023 £'000 |
|-------------------------------------|------------------------------|--------------------------------|--------------------------------|--------------------|-----------------------------|-----------------------------|
| Endowment Funds - Permanent | | | | | | |
| 1. Fellowship funding: | | | | | | |
| Fellowship Endowment Fund | 5,669 | 331 | - | (249) | (246) | 5,505 |
| Indira Gandhi Fund | 5,213 | 244 | - | (229) | (226) | 5,002 |
| Catherine Hughes Fund | 1,509 | 71 | - | (66) | (65) | 1,449 |
| P. Norman Fellowship Fund | 2,016 | 94 | - | (89) | (87) | 1,934 |
| Scollan Fund | 2,064 | 97 | - | (91) | (90) | 1,980 |
| Other funds less than £500,000 | 2,026 | 95 | - | (89) | (88) | 1,944 |
| 2. Academic awards: | | | | | | |
| Funds less than £500,000 | 1,409 | 66 | - | (62) | (61) | 1,352 |
| 3. Student support: | | | | | | |
| Funds less than £500,000 | 2,339 | 110 | - | (103) | (101) | 2,245 |
| 4. Other funds: | | | | | | |
| College Capital Fund | 3,081 | 164 | - | (135) | (134) | 2,976 |
| Total endowment permanent | 25,326 | 1,272 | - | (1,113) | (1,098) | 24,387 |
| Endowment Funds - Expendable | | | | | | |
| 1. Fellowship funding: | | | | | | |
| Centenary Appeal Fund | 860 | 40 | - | (38) | (37) | 825 |
| E.P.A.Cephalosporin Fund | 1,121 | 53 | - | (49) | (49) | 1,076 |
| A & W Cobbe Fund Fund | 4,087 | 193 | - | (180) | (177) | 3,923 |
| L.Labowsky Fund 1992 | 805 | 38 | - | (35) | (35) | 773 |
| Mitchell Fund | 2,824 | 132 | - | (124) | (123) | 2,709 |
| Carlisle & C.A.Lee Fund | 955 | 45 | - | (42) | (41) | 917 |
| Ernest Cook Fund | 1,076 | 50 | - | (47) | (47) | 1,032 |
| Mary Ewart Trust Fund | 1,294 | 61 | - | (57) | (56) | 1,242 |
| Rose Graham Fund | 1,844 | 86 | - | (81) | (80) | 1,769 |
| Daphne Osborne Fund | 6,805 | 319 | - | (299) | (295) | 6,530 |
| C. & D. Roaf Fund | 1,465 | 69 | - | (64) | (64) | 1,406 |
| Mary Snow Fellowship Fund | 1,799 | 84 | - | (79) | (78) | 1,726 |
| Mary Somerville Research Fund | 1,171 | 55 | - | (51) | (51) | 1,124 |
| Margaret Thatcher Fund | 461 | 22 | - | (20) | (20) | 443 |
| K & L Woolley Fund Fund | 1,066 | 50 | - | (47) | (46) | 1,023 |
| Wolfson Fund | 808 | 38 | - | (36) | (35) | 775 |
| E Goulding Fund | 494 | 409 | - | (22) | (21) | 860 |
| Williams Fund | 200 | 33 | - | (9) | (9) | 215 |
| Other funds less than £500,000 | 29,135 | 1,777 | - | (1,280) | (1,264) | 28,368 |
| | 5,798 | 277 | - | (255) | (252) | 5,568 |
| | 34,933 | 2,054 | - | (1,535) | (1,516) | 33,936 |
| 2. Academic awards: | | | | | | |
| Janet Watson Fund | 955 | 45 | - | (42) | (41) | 917 |
| Other funds less than £500,000 | 4,733 | 222 | - | (208) | (205) | 4,542 |
| | 5,688 | 267 | - | (250) | (246) | 5,459 |
| 3. Student Support: | | | | | | |
| Bursary Fund | 3,568 | 228 | - | (157) | (155) | 3,484 |
| Dame Emily Penrose Fund | 905 | 42 | - | (40) | (39) | 868 |
| Other funds less than £500,000 | 3,563 | 176 | - | (156) | (155) | 3,428 |
| | 8,036 | 446 | - | (353) | (349) | 7,780 |

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Notes to the financial statements
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18 ANALYSIS OF MOVEMENTS ON FUNDS cont.

4. Other funds:

| | | | | | | |
|--------------------------------|--------------|------------|----------|--------------|--------------|---------------------|
| General Endowment Fund | 4,090 | 197 | - | (179) | (177) | 3,931 |
| Loan Repayment Fund | - | - | - | - | - | - |
| Carys Bannister Fund | 1,376 | 64 | - | (60) | (60) | 1,320 |
| C A Lee Fund | 673 | 32 | - | (30) | (29) | 646 |
| Other funds less than £500,000 | 2,950 | 138 | - | (130) | (128) | 2,830 |
| | <u>9,089</u> | <u>431</u> | <u>-</u> | <u>(399)</u> | <u>(394)</u> | <u>8,727</u> |

Total endowment funds, expendable 57,746 3,198 - (2,537) (2,505) **55,902**

Total Endowment Funds - College 83,072 4,469 - (3,650) (3,604) **80,287**

Endowment funds held by subsidiaries 11,146 - - - (575) **10,571**

Total Endowment Funds - Group **94,218** **4,469** - **(3,650)** **(4,179)** **90,858**

| | | | | | |
|-------------|--------------------|--------------------|-----------|-----------------|------------|
| At 1 August | Incoming resources | Resources expended | Transfers | Gains/ (losses) | At 31 July |
| 2,022 | | | | | 2,023 |
| £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |

Restricted Funds

| | | | | | | |
|------------------------|-------|-------|---------|-------|---|--------------|
| Endowment income | 2,124 | 1,195 | (3,192) | 1,954 | - | 2,081 |
| Other restricted funds | 539 | - | - | - | - | 539 |

Total Restricted Funds - College 2,663 1,195 (3,192) 1,954 - **2,620**

Restricted funds held by subsidiaries - - - - -

Total Restricted Funds - Group **2,663** **1,195** **(3,192)** **1,954** - **2,620**

Unrestricted Funds

| | | | | | | |
|------------------------------|---------|-------|----------|---------|-------|----------------|
| General funds | (1,149) | - | 26 | 515 | - | (608) |
| Designated funds | 3,500 | - | - | (3,000) | - | 500 |
| Loan designated fund | 3,129 | 272 | - | - | (153) | 3,248 |
| Fixed Asset designated funds | 132,386 | 9,766 | (13,373) | 4,181 | 48 | 133,008 |
| Pension reserve | (2,107) | - | 115 | - | - | (1,992) |

Total Unrestricted Funds - College 135,759 10,038 (13,232) 1,696 (105) **134,156**

Unrestricted funds held by subsidiaries 310 643 (726) - - **227**

Total Unrestricted Funds - Group **136,069** **10,681** **(13,958)** **1,696** **(105)** **134,383**

Total Funds 232,950 16,345 (17,150) - (4,284) **227,861**

19 FUNDS OF THE COLLEGE DETAILS

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

Endowment Funds - Permanent:

| | |
|---------------------------|--|
| Fellowship Endowment Fund | A fund established for the purpose of building up a general endowment of official stipends. |
| Indira Gandhi Fund | A joint initiative between the University, the College and the Government of India, to provide graduate scholarships for students from India to study in Oxford on programmes relating to sustainable development. |

Endowment Funds - Expendable:

| | |
|-------------------------|---|
| Carys Bannister Fund | Established from a bequest, used to fund medicine. |
| Centenary Appeal Fund | An appeal established to mark the College's centenary, income currently used towards Tutorial Fellowship funding. |
| E.P.A.Cephalosporin | Established by gifts from the E.P.A.Cephalosporin fund to recognise Dorothy Hodgkin's association with the College, and used to fund Tutorial fellowship costs in medical, biological or chemical sciences. |
| A & W Cobbe Fund | Established from a bequest, used to fund tutorial costs in mathematics. |
| L.Labowsky Fund | Established from a bequest, used to fund a fellowship in English language & literature. |
| Mitchell Fund | A gift and subsequent legacy, the income to be used towards the stipend of a Tutorial Fellow in English, and thereafter for general purposes. |
| Carlisle & C.A.Lee Fund | A fund established from several bequests, income from which funds the cost of special leave by Tutorial Fellows. |
| Ernest Cook Fund | Established by benefaction to endow a research fellowship in environmental studies. |
| Mary Ewart Trust Fund | A fund used to provide scholarships and travelling grants and to fund the stipend of a research fellowship |
| Rose Graham Fund | Established from a bequest, used to fund a fellowship in European or English History prior to 1700. |

Somerville College
Notes to the financial statements
For the year ended 31 July 2023

19 FUNDS OF THE COLLEGE DETAILS cont.

| | |
|---------------------------|--|
| Daphne Osborne Fund | Established from a bequest, used to fund a fellowship in Physical and/or Biological Sciences |
| C. & D. Roaf Fund | Gifts used to support the study and teaching of Modern Languages |
| Mary Snow Fellowship | A gift used to contribute towards the stipend of a Tutorial Fellow in the Biological Sciences |
| Mary Somerville Res. Fund | A fund established from donations to cover the stipend of a Research Fellowship. |
| Margaret Thatcher | Established to fund the teaching of Chemistry and Law |
| K & L Woolley Fund | Established by a bequest, used to provide a Scholarship or Fellowship in near, Middle-East Mediterranean or Far East Archaeology |
| Wolfson Fund | A gift from the Wolfson Foundation used to endow a tutorial fellowship in the Natural Sciences. |

Restricted Funds:

| | |
|--------------------------------|--|
| 1. Permanent endowment income | Income generated from permanent endowment funds, available for current and future costs as restricted by the underlying endowment fund. |
| 2. Expendable endowment income | Income generated from expendable endowment funds, available for current and future costs as restricted by the underlying endowment fund. |
| 3. ROQ Building project appeal | Gifts and legacies received in connection with the College Appeal, for use in contributing towards the costs of new accommodation buildings on the Radcliffe Observatory Quarter |

Designated Funds

Designated Other Unrestricted Funds allocated by the Fellows for current and future costs of related to particular purposes.

Fixed Asset Fund A New fund to reflect those funds invested in the College's fixed assets.

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

20 ANALYSIS OF NET ASSETS BETWEEN FUNDS

| Group | Unrestricted Funds £'000 | Designated Funds £'000 | Restricted Funds £'000 | Endowment Funds £'000 | 2023 Total £'000 |
|----------------------------------|--------------------------------|------------------------------|------------------------------|-----------------------------|------------------------|
| Tangible fixed assets | 1,500 | 157,716 | - | - | 159,216 |
| Property investments | - | 10,292 | - | - | 10,292 |
| Other investments | - | 3,248 | 421 | 90,708 | 94,377 |
| Net current assets/(liabilities) | (1,881) | 500 | 2,199 | 150 | 968 |
| Long term liabilities | - | (36,992) | - | - | (36,992) |
| | <u>(381)</u> | <u>134,764</u> | <u>2,620</u> | <u>90,858</u> | <u>227,861</u> |

| Group | Unrestricted Funds £'000 | Designated Funds £'000 | Restricted Funds £'000 | Endowment Funds £'000 | 2022 Total £'000 |
|-----------------------|--------------------------------|------------------------------|------------------------------|-----------------------------|------------------------|
| Tangible fixed assets | 1,500 | 159,399 | - | - | 160,899 |
| Property investments | - | 10,397 | - | - | 10,397 |
| Other investments | - | 3,129 | 1,341 | 94,018 | 98,488 |
| Net current assets | (2,339) | 1,090 | 1,322 | 200 | 273 |
| Long term liabilities | - | (37,107) | - | - | (37,107) |
| | <u>(839)</u> | <u>136,908</u> | <u>2,663</u> | <u>94,218</u> | <u>232,950</u> |

21 TRUSTEES' REMUNERATION

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

Trustees of the college fall into the following categories:

Head of House
 Professorial Fellow
 Official Fellow
 Fellow by Special Election

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. These salaries are paid on external academic and academic-related scales and often are joint arrangements with the University of Oxford.

All Official Fellows are eligible for a Housing Allowance, which is disclosed within the salary figures below. Seven trustees live in accommodation owned by the college and pay market rent on a monthly basis.

The College has a Remuneration Committee which makes recommendations to Governing Body on pay and benefits which are outside of external scales.

Somerville College
Notes to the financial statements
For the year ended 31 July 2023

21 TRUSTEES' REMUNERATION cont.
Remuneration paid to trustees

| Range | 2023 | | 2022 | |
|-------------------|----------------------------|---|----------------------------|---|
| | Number of Trustees/Fellows | Gross remuneration, taxable benefits and pension contributions £ | Number of Trustees/Fellows | Gross remuneration, taxable benefits and pension contributions £ |
| £4,000-£4,999 | 1 | 4,190 | | |
| £6,000-£6,999 | 1 | 6,463 | | |
| £9,000-£9,999 | | | 1 | 9,510 |
| £10,000-£10,999 | | | 1 | 10,385 |
| £12,000-£12,999 | | | 1 | 12,329 |
| £13,000-£13,999 | 2 | 27,174 | 1 | 13,391 |
| £15,000-£15,999 | | | 1 | 15,981 |
| £17,000-£17,999 | 1 | 17,515 | | |
| £20,000-£20,999 | 1 | 20,486 | 1 | 20,789 |
| £22,000-£22,999 | 1 | 22,192 | 1 | 22,848 |
| £24,000-£24,999 | | | 1 | 24,684 |
| £25,000-£25,999 | 1 | 25,087 | 10 | 250,391 |
| £26,000-£26,999 | 1 | 26,930 | | |
| £27,000-£27,999 | 1 | 27,652 | | |
| £28,000-£28,999 | 1 | 28,299 | | |
| £29,000-£29,999 | 10 | 297,051 | | |
| £31,000-£31,999 | | | 1 | 31,358 |
| £32,000-£32,999 | 1 | 32,821 | | |
| £36,000-£36,999 | 1 | 36,462 | | |
| £37,000-£37,999 | | | 1 | 37,036 |
| £43,000-£43,999 | | | 1 | 43,396 |
| £44,000-£44,999 | 1 | 44,375 | | |
| £45,000-£45,999 | 1 | 45,856 | | |
| £46,000-£46,999 | | | 1 | 46,807 |
| £47,000-£47,999 | | | 1 | 47,518 |
| £48,000-£48,999 | 1 | 48,183 | | |
| £50,000-£50,999 | | | 1 | 50,184 |
| £51,000-£51,999 | | | 1 | 51,620 |
| £52,000-£52,999 | | | 1 | 52,665 |
| £53,000-£53,999 | 2 | 106,789 | | |
| £60,000-£60,999 | | | 9 | 541,574 |
| £63,000-£63,999 | 1 | 63,392 | | |
| £66,000-£66,999 | 9 | 597,295 | | |
| £67,000-£67,999 | | | 1 | 67,003 |
| £71,000-£71,999 | 1 | 71,009 | | |
| £91,000-£91,999 | | | 1 | 91,815 |
| £92,000-£92,999 | | | 1 | 92,712 |
| £95,000-£95,999 | 1 | 95,649 | | |
| £120,000-£120,999 | 1 | 120,105 | | |
| £125,000-£125,999 | | | 1 | 125,109 |
| £126,000-£126,999 | | | 1 | 126,150 |
| £131,000-£131,999 | 1 | 131,123 | | |
| £146,000-£146,999 | | | 1 | 146,860 |
| £153,000-£153,999 | 1 | 153,764 | | |
| Total | 43 | 2,049,862 | 41 | 1,932,115 |

4 trustees are not employees of the college and do not receive remuneration.

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

Other transactions with trustees

Fellows also receive reimbursement of personal expenses necessarily incurred in connection with their services to the College as Trustees. During the year a total of £15 (2022 - £7) was reimbursed to 12 (2022 - 8) of the Trustees for research.

See also note 30 Related Party Transactions

Key management remuneration

The total remuneration paid to key management was £640k (2022: £643k).

Key management are considered to be the College Officers as detailed in the Governing Body Report

22 PENSION SCHEMES

Schemes in operation

The College participates in two pension schemes on behalf of its staff:

- (i) The Universities Superannuation Scheme ("the USS") and
- (ii) A group personal pension scheme operated by Aviva (formerly the Friends Life New Generation Group Pension Scheme).

The USS is a hybrid pension schemes, providing defined benefits based on salaries as well as benefits based on contributions.

The assets of USS are held in a separate trustee-administered fund.

The USS scheme is a multi-employer scheme and the College is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. Therefore, as required by FRS 102, the College accounts for the scheme as if it were a defined contribution scheme. 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, 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 USS scheme has put in place an agreement for additional contributions to fund the past service deficit. In accordance with the provisions of FRS 102 the College has recognised a liability for the future contributions that it estimates will be payable as a result of these deficit funding agreements.

Actuarial valuations

Qualified actuaries periodically value the USS defined benefits 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 |
| Date of valuation: | 31/03/2020 |
| Date valuation results published: | 30/09/2021 |
| Value of liabilities: | £80.6bn |
| Value of assets: | £66.5bn |
| Funding surplus / (deficit): | (£14.1bn) |
| Principal assumptions: | |
| - Discount rate | Fixed Interest gilt yield curve plus 1% - 2.75% |
| - Rate of increase in salaries | n/a |
| - Rate of increase in pensions | CPI +0.05% ^c |
| Assumed life expectancies on retirement at age 65: | |
| - Males currently aged 65 | 24.0 yrs |
| - Females currently aged 65 | 25.6 yrs |
| - Males currently aged 45 | 26.0 yrs |
| - Females currently aged 45 | 27.4 yrs |
| Funding Ratios: | |
| - Technical provisions basis | 83% |
| - Statutory Pension Protection Fund | 64% |
| - 'Buy-out' basis | 51% |
| Employer contribution rate (as % of pensionable salaries): | 21.4% to 21.6% from 1 Apr 22 |
| Effective date of next valuation: | 31/03/2023 |

- a. The discount rate (forward rates) for the USS valuation was:
Fixed interest gilt yield curve plus: Pre-retirement 2.75%, post-retirement 1.00%
- b. 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 0.1% p.a. to a long term difference of 0.1% p.a. from 2040.
- c. The USS employer contribution rates include provisions for the cost of future accrual of defined benefits, deficit contributions, administrative expenses and defined contributions.

Somerville College
Notes to the financial statements
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Sensitivity of actuarial valuation assumptions

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

| Assumption | USS Change in assumption | Impact on USS liabilities |
|--------------------------------------|-----------------------------|---------------------------|
| Initial pre-retirement discount rate | increase by 0.25% | decrease by £1.3bn |
| Post-retirement discount rate | Decrease by 0.25% | Increase by £2.8bn |
| CPI | decrease by 0.1% | decrease by £1.5bn |
| Life expectancy | more prudent assumption | increase by £1.2bn |
| Rate of mortality | more prudent assumption | increase by £0.6bn |

The pension charge for the year in the Statement of Financial Activities includes £244k (2022 - £1,727k) in relation to the USS. This represents normal contributions of £429k (2022 - £380k) payable to the USS as adjusted by the change in the deficit funding liability between the opening and closing balance sheet dates of £-185k (2022 -£1,347k).

The College has used a financial modeller to estimate the expected future deficit funding contributions payable and the present value of this amount is recognised as a liability in the balance sheet. Changes in the estimated amount of this deficit funding liability each year are shown on the Statement of Financial Activities. For the year ended 31 July 2022 the College's provision for the USS deficit funding liability was £1,992k (2022 – £2,107k).

Further details on the Actuarial Valuations of the USS can be found on the USS website.
<https://www.uss.co.uk/actuarial-valuation>

Pension charge for the year

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

| | 2023 | 2022 |
|----------------------------------|-------------|--------------|
| | £k | £k |
| University Superannuation Scheme | 244 | 1,727 |
| Aviva NGGPS | 373 | 326 |
| | <u>617</u> | <u>2,053</u> |

23 TAXATION

The College is able to take advantage of the tax exemptions available to charities from taxation in respect of income and capital gains received to the extent that such income and gains are applied to exclusively charitable purposes. No liability to corporation tax arises in the College's subsidiary company because the directors of this company have indicated that they intend to make donations each year to the College equal to the taxable profits of the company under the Gift Aid scheme. Accordingly no provision for taxation has been included in the financial statements.

Somerville College
Notes to the financial statements
For the year ended 31 July 2023

24 FINANCIAL INSTRUMENTS

The financial statements include the following in respect of items held at fair value:

| | Group | | College | |
|---|---------------|---------------|---------------|---------------|
| | 2023 £'000 | 2022 £'000 | 2023 £'000 | 2022 £'000 |
| Financial assets measured at fair value through profit or loss | 94,377 | 98,488 | 83,610 | 87,146 |
| Financial liabilities measured at fair value through profit or loss | 1,992 | 2,107 | 1,992 | 2,107 |
| Financial assets measured at amortised cost | 2,564 | 2,114 | 2,171 | 1,843 |
| Financial liabilities measured at amortised cost | 36,506 | 36,729 | 36,327 | 36,679 |

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

| | 2023 Group £'000 | 2022 Group £'000 |
|--|------------------------|------------------------|
| Net (expenditure)/income | (5,089) | (5,012) |
| Elimination of non-operating cash flows: | | |
| Investment income | (4,923) | (3,993) |
| (Gains)/losses in investments | 4,284 | 1,537 |
| Endowment donations | (576) | (588) |
| Financing costs | 1,029 | 1,190 |
| Depreciation | 2,382 | 2,448 |
| (Surplus)/loss on sale of fixed assets | (112) | (55) |
| Decrease in stock | 7 | 10 |
| Increase in debtors | (468) | (424) |
| Decrease in creditors | (205) | (1,668) |
| (Decrease)/Increase in provisions | (115) | 1,354 |
| Net cash (used in)/provided by operating activities | (3,786) | (5,201) |

26 ANALYSIS OF CHANGES IN NET DEBT

| | Start of Year £'000 | Cash Flows £'000 | End of Year £'000 |
|--|------------------------|---------------------|----------------------|
| Cash | 276 | 29 | 305 |
| Loans falling due after more than one year | (35,000) | - | (35,000) |
| Total | (34,724) | 29 | (34,695) |

27 ANALYSIS OF CASH AND CASH EQUIVALENTS

| | 2023 £'000 | 2022 £'000 |
|--|---------------|---------------|
| Cash at bank and in hand | 305 | 276 |
| Total cash and cash equivalents | 305 | 276 |

Somerville College
Notes to the financial statements
For the year ended 31 July 2023

28 COMMITMENTS UNDER OPERATING LEASES

The group earns rental income by leasing its properties to tenants under non-cancellable operating leases. Leases in which substantially all risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including prepayments, made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

At the balance sheet date, the group had contracted with tenants to receive the following future minimum lease payments:

| | 2023 | 2022 |
|--|---------------------|--------------|
| | £'000 | £'000 |
| Group and Company | | |
| Not later than 1 year | 515 | 539 |
| Later than 1 year and not later than 5 years | 1,782 | 1,611 |
| Later than 5 years | 3,004 | 2,174 |
| | <u>5,301</u> | <u>4,324</u> |

29 CAPITAL COMMITMENTS

The College had contracted commitments at 31 July for future capital projects totalling £nil (2022 - £nil).

30 RELATED PARTY TRANSACTIONS

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

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

The following trustees had loans outstanding from the College at the start and/or end of the year.

| | 2023 | 2022 |
|------------|-------------------|------------|
| | £'000 | £'000 |
| B Thompson | <u>100</u> | <u>100</u> |

Interest is charged on the above loan at 4% per annum. The loan is repayable within 2 years or on the departure of the trustee from the College if earlier.

The College has properties with the followings net book values owned jointly with trustees under joint equity ownership agreements between the trustee and the College.

| | 2023 | 2022 |
|--------------|-------------------|----------|
| | £'000 | £'000 |
| A Sutherland | 198 | 159 |
| M Hayward | - | 68 |
| C Hare | 154 | 158 |
| L Mycock | 181 | 185 |
| R Lambiotte | 235 | - |
| | <u>235</u> | <u>-</u> |

All joint equity properties are subject to sale on the departure of the trustee from the College.

Donations totalling £6k were received from Trustees of the College (2022: £nil)

The College hosted summer courses for University Education at a cost of £26K. S Rayner is a trustee of University Education

31 CONTINGENT LIABILITIES

There were no contingent liabilities at 31 July 2023 (2022: none)

32 POST BALANCE SHEET EVENTS

There are no Post Balance Sheet events.

Somerville College
Notes to the financial statements
For the year ended 31 July 2023

33 PRIOR YEAR COMPARATIVE INFORMATION

a. Consolidated Statement of Financial Activities
For the year ended 31 July 2022

| | Unrestricted Funds £'000 | Restricted Funds £'000 | Endowed Funds £'000 | 2022 Total £'000 |
|--|--------------------------------|------------------------------|---------------------------|------------------------|
| INCOME AND ENDOWMENTS FROM: | | | | |
| Charitable activities: | | | | |
| Teaching, research and residential | 6,563 | - | - | 6,563 |
| Other Trading Income | 836 | - | - | 836 |
| Donations and legacies | 1,271 | 296 | 588 | 2,155 |
| Investments | | | | |
| Investment income | 1,003 | 4 | 2,986 | 3,993 |
| Total return allocated to income | 1,673 | 1,927 | (3,600) | - |
| Other income | 57 | - | - | 57 |
| Total income | 11,403 | 2,227 | (26) | 13,604 |
| EXPENDITURE ON: | | | | |
| Charitable activities: | | | | |
| Teaching, research and residential | 13,625 | 2,374 | - | 15,999 |
| Raising funds: | | | | |
| Fundraising | 702 | 6 | - | 708 |
| Trading expenditure | 163 | - | - | 163 |
| Investment management costs | 82 | 127 | - | 209 |
| Total Expenditure | 14,572 | 2,507 | - | 17,079 |
| Net Income/(Expenditure) before gains | (3,169) | (280) | (26) | (3,475) |
| Net gains/(losses) on investments | (216) | - | (1,321) | (1,537) |
| Net Income/(Expenditure) | (3,385) | (280) | (1,347) | (5,012) |
| Transfers between funds | (572) | - | 572 | - |
| Net movement in funds for the year | (3,957) | (280) | (775) | (5,012) |
| Fund balances brought forward | 140,026 | 2,943 | 94,993 | 237,962 |
| Funds carried forward at 31 July | 136,069 | 2,663 | 94,218 | 232,950 |

b. ANALYSIS OF MOVEMENTS ON FUNDS

| | At 1 August 2021 £'000 | Incoming resources £'000 | Resources expended £'000 | Transfers £'000 | Gains/ (losses) £'000 | At 31 July 2022 £'000 |
|-------------------------------------|------------------------------|--------------------------------|--------------------------------|--------------------|-----------------------------|-----------------------------|
| Endowment Funds - Permanent | | | | | | |
| 1. Fellowship funding: | | | | | | |
| Fellowship Endowment Fund | 5,775 | 222 | - | (247) | (81) | 5,669 |
| Indira Gandhi Fund | 5,071 | 430 | - | (217) | (71) | 5,213 |
| Catherine Hughes Fund | 1,542 | 55 | - | (66) | (22) | 1,509 |
| P. Norman Fellowship Fund | 2,060 | 73 | - | (88) | (29) | 2,016 |
| Scollan Fund | 2,109 | 75 | - | (90) | (30) | 2,064 |
| Other funds less than £500,000 | 2,070 | 73 | - | (88) | (29) | 2,026 |
| 2. Academic awards: | | | | | | |
| Funds less than £500,000 | 1,439 | 51 | - | (61) | (20) | 1,409 |
| 3. Student support: | | | | | | |
| Funds less than £500,000 | 2,390 | 85 | - | (102) | (34) | 2,339 |
| 4. Other funds: | | | | | | |
| College Capital Fund | 3,148 | 112 | - | (134) | (44) | 3,082 |
| Total endowment permanent | 25,604 | 1,176 | - | (1,093) | (360) | 25,327 |
| Endowment Funds - Expendable | | | | | | |

Somerville College
Notes to the financial statements
For the year ended 31 July 2023

| | | | | | | | |
|-----------|---|----------------|---------------|-----------------|----------------|----------------|----------------|
| 33 | | | | | | | |
| | 1. Fellowship funding: | | | | | | |
| b. | Centenary Appeal Fund | 879 | 31 | - | (38) | (12) | 860 |
| | E.P.A.Cephalosporin Fund | 1,145 | 41 | - | (49) | (16) | 1,121 |
| | A & W Cobbe Fund | 4,176 | 148 | - | (178) | (59) | 4,087 |
| | L.Labowsky Fund 1992 | 823 | 29 | - | (35) | (12) | 805 |
| | Mitchell Fund | 2,885 | 102 | - | (123) | (40) | 2,824 |
| | Carlisle & C.A.Lee Fund | 976 | 35 | - | (42) | (14) | 955 |
| | Ernest Cook Fund | 1,099 | 39 | - | (47) | (15) | 1,076 |
| | Mary Ewart Trust Fund | 1,322 | 47 | - | (56) | (19) | 1,294 |
| | Rose Graham Fund | 1,883 | 67 | - | (80) | (26) | 1,844 |
| | Daphne Osborne Fund | 6,954 | 246 | - | (297) | (98) | 6,805 |
| | C. & D. Roaf Fund | 1,497 | 53 | - | (64) | (21) | 1,465 |
| | Mary Snow Fellowship Fund | 1,839 | 65 | - | (79) | (26) | 1,799 |
| | Mary Somerville Research Fund | 1,197 | 42 | - | (51) | (17) | 1,171 |
| | Margaret Thatcher Fund | 471 | 17 | - | (20) | (7) | 461 |
| | K & L Woolley Fund Fund | 1,089 | 39 | - | (47) | (15) | 1,066 |
| | Wolfson Fund | 826 | 29 | - | (35) | (12) | 808 |
| | E Goulding Fund | 505 | 18 | - | (22) | (7) | 494 |
| | Williams Fund | - | 200 | - | - | - | 200 |
| | | <u>29,566</u> | <u>1,248</u> | <u>-</u> | <u>(1,263)</u> | <u>(416)</u> | <u>29,135</u> |
| | Other funds less than £500,000 | <u>5,924</u> | <u>210</u> | <u>-</u> | <u>(253)</u> | <u>(83)</u> | <u>5,798</u> |
| | | <u>35,490</u> | <u>1,458</u> | <u>-</u> | <u>(1,516)</u> | <u>(499)</u> | <u>34,933</u> |
| | 2. Academic awards: | | | | | | |
| | Janet Watson Fund | 976 | 35 | - | (42) | (14) | 955 |
| | Other funds less than £500,000 | <u>4,829</u> | <u>178</u> | <u>-</u> | <u>(206)</u> | <u>(68)</u> | <u>4,733</u> |
| | | <u>5,805</u> | <u>213</u> | <u>-</u> | <u>(248)</u> | <u>(82)</u> | <u>5,688</u> |
| | 3. Student Support: | | | | | | |
| | Bursary Fund | 3,599 | 173 | - | (154) | (50) | 3,568 |
| | Dame Emily Penrose Fund | 925 | 33 | - | (40) | (13) | 905 |
| | Other funds less than £500,000 | <u>3,575</u> | <u>191</u> | <u>-</u> | <u>(153)</u> | <u>(50)</u> | <u>3,563</u> |
| | | <u>8,099</u> | <u>397</u> | <u>-</u> | <u>(347)</u> | <u>(113)</u> | <u>8,036</u> |
| | ANALYSIS OF MOVEMENTS ON FUNDS cont. | | | | | | |
| | 4. Other funds: | | | | | | |
| | General Endowment Fund | 4,174 | 153 | - | (178) | (59) | 4,090 |
| | Loan Repayment Fund | - | - | - | - | - | - |
| | Carys Bannister Fund | 1,406 | 50 | - | (60) | (20) | 1,376 |
| | C A Lee Fund | 688 | 24 | - | (29) | (10) | 673 |
| | Other funds less than £500,000 | <u>3,014</u> | <u>107</u> | <u>-</u> | <u>(129)</u> | <u>(42)</u> | <u>2,950</u> |
| | | <u>9,282</u> | <u>334</u> | <u>-</u> | <u>(396)</u> | <u>(131)</u> | <u>9,089</u> |
| | Total endowment funds, expendable | <u>58,676</u> | <u>2,402</u> | <u>-</u> | <u>(2,507)</u> | <u>(825)</u> | <u>57,746</u> |
| | Total Endowment Funds - College | <u>84,280</u> | <u>3,574</u> | <u>-</u> | <u>(3,600)</u> | <u>(1,182)</u> | <u>83,072</u> |
| | Endowment funds held by subsidiaries | 10,713 | - | - | 572 | (139) | 11,146 |
| | Total Endowment Funds - Group | <u>94,993</u> | <u>3,574</u> | <u>-</u> | <u>(3,028)</u> | <u>(1,321)</u> | <u>94,218</u> |
| | | At 1 August | Incoming | Resources | Transfers | Gains/ | At 31 July |
| | | 2021 | resources | expended | | (losses) | 2022 |
| | | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| | Restricted Funds | | | | | | |
| | Endowment income | 2,404 | 300 | (2,507) | 1,927 | - | 2,124 |
| | Other restricted funds | 539 | - | - | - | - | 539 |
| | Total Restricted Funds - College | <u>2,943</u> | <u>300</u> | <u>(2,507)</u> | <u>1,927</u> | <u>-</u> | <u>2,663</u> |
| | Restricted funds held by subsidiaries | - | - | - | - | - | - |
| | Total Restricted Funds - Group | <u>2,943</u> | <u>300</u> | <u>(2,507)</u> | <u>1,927</u> | <u>-</u> | <u>2,663</u> |
| | Unrestricted Funds | | | | | | |
| | General funds | 1,043 | - | - | (2,192) | - | (1,149) |
| | Designated funds | 3,500 | - | - | - | - | 3,500 |
| | Loan designated fund | 2,907 | 258 | - | - | (36) | 3,129 |
| | Fixed Asset designated funds | 132,359 | 8,930 | (12,588) | 3,865 | (180) | 132,386 |
| | Revaluation reserve | - | - | - | - | - | - |
| | Pension reserve | (753) | - | (1,354) | - | - | (2,107) |
| | Total Unrestricted Funds - College | <u>139,056</u> | <u>9,188</u> | <u>(13,942)</u> | <u>1,673</u> | <u>(216)</u> | <u>135,759</u> |
| | Unrestricted funds held by subsidiaries | 970 | 542 | (630) | (572) | - | 310 |
| | Total Unrestricted Funds - Group | <u>140,026</u> | <u>9,730</u> | <u>(14,572)</u> | <u>1,101</u> | <u>(216)</u> | <u>136,069</u> |
| | Total Funds | <u>237,962</u> | <u>13,604</u> | <u>(17,079)</u> | <u>-</u> | <u>(1,537)</u> | <u>232,950</u> |