



Somerville College

Annual Report and Financial Statements

Year ended 31 July 2022

SOMERVILLE COLLEGE
Annual Report and Financial Statements
Contents

Governing Body, Officers and Advisers	2
Report of the Governing Body	7
Auditor's Report	19
Consolidated Statement of Financial Activities	25
Consolidated and College Balance Sheets	26
Consolidated Cash flow Statement	27
Notes to the Financial Statements	28

SOMERVILLE COLLEGE

Governing Body, Officers and Advisers

Year ended 31 July 2022

MEMBERS OF THE GOVERNING BODY

The Members of the Governing Body are the College's charity trustees under charity law. The members of the Governing Body who served in office as 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				•		
Mr Julian Duxfield	Resigned 4/22		•			
Professor Christopher Hare	Dean	•		•		
Professor Michael Hayward			•	•		
Professor Michelle Jackson				•		

SOMERVILLE COLLEGE**Governing Body, Officers and Advisers****Year ended 31 July 2022**

Ms Sara Kalim	Development Director				•	
Professor Simon Kemp				•		
Professor Robin Klemm		•		•		
Professor Margaryta Klymak				•		
Professor Aditi Lahiri				•		
Professor Renaud Lambiotte				•		
Dr Anne Manuel	Librarian, Archivist & Head of IT	•		•	•	•
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				•		
Professor Luke Pitcher				•		

SOMERVILLE COLLEGE**Governing Body, Officers and Advisers****Year ended 31 July 2022**

Professor Charlotte Potts			•	•		
Dr Stephen Rayner	Senior Tutor	•	•	•	•	•
Professor Stephen Roberts				•		•
Professor Elena Seiradake				•		
Professor Steven Simon				•		
Professor Francesca Southerden				•		
Professor Charles Spence				•		
Professor Fiona Stafford				•		
Professor Richard Stone				•	•	
Professor Almut Suerbaum				•	•	
Professor Annie Sutherland		•		•		
Professor Rajesh Thakker				•		
Professor Benjamin Thompson				•	•	
Dr. Damian Tyler				•		
Professor Renier van der Hoorn	Resigned 12/21			•		

SOMERVILLE COLLEGE

Governing Body, Officers and Advisers

Year ended 31 July 2022

Professor Stephen Weatherill	Resigned 9/21			•		
Professor Philip West				•		
Professor Matthew Wood				•		
Professor Faridah Zaman			•	•		
Professor Noa Zilberman				•		•

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>Dr Anne Manuel</i>

SOMERVILLE COLLEGE

Governing Body, Officers and Advisers

Year ended 31 July 2022

COLLEGE ADVISERS

Investment managers

Newton Investment Management Ltd

Oxford University Endowment Management

Investment property advisers

Cluttons

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 2022

The Members of the Governing Body present their Annual Report for the year ended 31 July 2022 under the Charities Act 2011 together with the audited financial statements for the year.

REFERENCE AND ADMINISTRATIVE INFORMATION

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.

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 4.

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. Buildings Committee, 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.

- **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 Library, Nominations and Remuneration.

SOMERVILLE COLLEGE
Report of the Governing Body
Year ended 31 July 2022

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 16 to 17 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.

With the impact of Covid expected to recede, the four principal risks identified in the College's risk register are;

- 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:

- i. To advance education, learning and research, in particular by providing, in conjunction with the University of Oxford, an education for 440 undergraduate and 273 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.
- ii. 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
 - 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 2021.22, the College had 440 undergraduates and 273 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); Experimental Psychology; 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 2021.22, the number of awards made was 84; 44 of the awards were for £3k or more; and the average value of the awards was £2.8k, with a total of £236k being disbursed in the year. The scheme is

SOMERVILLE COLLEGE
Report of the Governing Body
Year ended 31 July 2022

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 2021.22 for this purpose was £342k.

The College also makes awards for academic development and has various scholarships and prizes available to reward academic excellence. During 2021.22 the College awarded £102k for this purpose.

In addition to its other programmes, the College operates a hardship scheme for students in financial hardship and provides access to hardship schemes operated by the University. For the academic year 2021.22 the College awarded £63k in discretionary loans and grants and provided £60k 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;
- 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.

ACHIEVEMENTS AND PERFORMANCE

Academic

The academic year 2021.22 marked the beginning of an emergence from the global Covid-19 pandemic. Teaching was largely conducted face to face throughout the year but at the beginning of the academic year, significant precautions were still in place. These precautions were gradually relaxed and by the end of the academic year, interactions were back to normal, although it remained necessary to support residents who tested positive and needed to isolate.

The number of first choice undergraduate applications specifically to Somerville is unavailable but the number of applications (including first choice applications and open applications assigned to the College), was 696 in 2021.22, slightly up on the year before. It is hoped that the return to in-person open days and school visits will allow us to promote Somerville more effectively and increase application numbers in future years.

Owing to the pandemic-related risks, the Collegiate University decided to hold admissions interviews online again in Michaelmas Term 2021. An upsurge in Covid-19 cases in the run-up to Christmas arguably vindicated that cautious decision, taken earlier in the year. This was the second time that interviews had been conducted entirely online and the operation ran generally smoothly. This was thanks, as ever, to the hard work of tutors and Academic Office staff.

The 2021.22 admissions cycle showed 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, 137 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 fees is likely to decline further. The shortfall is covered by 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 2021.22 admissions cycle, 76% of UK domiciled undergraduate applicants come from state schools, which is a little above the figure for the University. 72% of UK offer holders were state-educated at the point of application.

In-person Access activities were still limited at the beginning of 2021.22 thanks to the ongoing pandemic but school visits resumed in Hilary Term and full in-person open days were held in the summer of 2022 after 2 years of online-only open days. 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 and Outreach Support Officer, Nuala Marshall, left us towards the end of the academic year to take up the lead access role at Magdalen College. We recruited Eren Slate to the post Nuala vacated. Eren had previously been in a similar role part-time for St Anne's and was looking to move to full-time employment. We also recruited Orla Lavery as an additional member to focus on inward-facing access work, supporting existing students from diverse backgrounds. This post will be a one-year post drawn from the most recent pool of Somerville graduates, which has proved a highly successful strategy in a similar post for the development team.

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. Dr 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. During the course of the year, long-standing supporter of the OICSD, Dr Siddharth Arora, was appointed as Programme Director. This part-time role, which runs in parallel with Dr Arora's academic role with the Said Business School, allows him to allocate more time and energy to supporting the OICSD

than he could as a volunteer. As ever, we are grateful to many distinguished academics from various fields who have

Scholarships would in future be used to support research students exclusively since this was the category generously given their time and wisdom in continuing to help the development of the Centre. The total number of OICSD scholars in the year was 21 with some of our research students having to extend their studies due to disruption arising from the global pandemic. During the year it was decided that the flagship Indira Gandhi with the highest academic quality. Generous donations have provided a special fund to finance extensions to their studies and the University has recognised these difficulties and extended study periods and milestone deadlines where necessary. 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 2021/22 we welcomed nine new Thatcher Scholars: four doing undergraduate studies, 2 on Masters courses and three undertaking DPhil studies. With the remaining Thatcher Scholars from previous years, this brought the total number of scholars in College to 25, and the number of alumni to 12. One of the unnamed undergraduate scholarships was named for Ann and Giles Currie, whose six figure gift enabled the establishment of the Margaret Thatcher Scholarship Trust.

The Trustees approved the reinvestment into the endowment of £572,000 from the reserves to endow a further undergraduate scholarship in perpetuity.

The Somerville Development Programme continued to provide valuable training for students and was able to return to in-person sessions, although the learnings from the previous year enabled the continuation of hybrid events.

There were 13 applications for Thatcher Development Awards of which 8 were approved. Grants ranged from £450 to £2,000, with the mean grant being £1,472. The total funds awarded for Thatcher Development Awards was £11,775, although the final total was £10,475 as one project was unable to go ahead and so their grant of £1,300 was returned. Two overseas undergraduate scholarships were awarded in Hilary term 2022 for 2022 entry and six new graduate scholarships of which two DPhils are partnering with the Clarendon Scholarships in a new partnership. There are a further two DPhils and two Masters scholars.

In 2020.21 Somerville hosted seventeen 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.

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 Richard Stone was elected as Fellow of the Royal Academy of Engineering and also elected SAE (Society of Automotive Engineers) Fellow 2020, Associate Professor Noa Zilberman was awarded a prestigious Google Research Scholar Award for her research into the new generation of programmable network devices that will underpin the future of computing infrastructure., Professor Almut Suerbaum and Associate Professor Annie Sutherland, along with the Somerville Medievalist Research Group, published their book *Medieval Temporalities* and Professor Renier van der Hoorn, was awarded a €2.5m grant by the European Research Council to continue his work on developing new crop protection strategies by unlocking extracellular immunity.

SOMERVILLE COLLEGE
Report of the Governing Body
Year ended 31 July 2022

Somerville Fellows also played a key role within the collegiate university through their role in the Divisions and Departments and also through their membership of several key committees and working groups. Benjamin Thompson continued as Associate Head (Education) of the Humanities Division, while Almut Suerbaum continued as Chair of the Faculty of Medieval and Modern Languages and Aditi Lahiri continued as Chair of the Faculty of Linguistics, Philology and Phonetics.

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. Our resolve is that no student with the academic ability to study at Somerville should be unable to take up a place due to financial pressures.

SOMERVILLE COLLEGE
Report of the Governing Body
Year ended 31 July 2022

Fundraising, alumni relations and communications

Though the impact of the pandemic continues to be felt by the College, the year 2021-2022 has seen the welcome return of in-person events to the Development Team's operations and these have been enthusiastically received by alumni. The College has received philanthropic donations of just under £2 million in cash gifts and legacies. This includes over £400K in cash and pledges for Politics at Somerville in a campaign to endow the subject in Shirley Williams' name. Another major announcement was the commitment to endow a graduate scholarship in Law by Mr Gopal Subramaniam to honour the Bingham family. In total, 1402 people made a gift to the College in the past year and our participation rate from contactable alumni was 17%. 2021/22 also saw a number of legacy gifts including a generous bequest of £466K from Sheila Porter and £50K from Haroutune Matossian. The College is also expecting circa £225K from Lalage Bown's estate.

Having been postponed in 2020 due to the pandemic, our telethon returned in 2021 but with a reduced calling team and callers working remotely for the first time. This worked well for the calling team and greatly reduced overheads therefore it was decided that calling will continue to be remote in 2022. £250K was raised by the callers and a further £30K was crowdfunded online from alumni who were either unreachable during the telethon or not in the calling pool. In HT2022, an appeal to raise £30K for the women's rowing team was completed and a direct mail to alumni raised £70K. A further crowdfunder was then held in TT22 to close an appeal for the Politics fellowship raising £60K. In total, £704k was received by the College in Annual Fund giving for the year.

In alumni relations, events, and communications the year 2021/22 saw a busy return to a mixture of in-person and online events. Amongst the many highlights of the year's events, a few stand out: our Annual Carol Service, which elicited a particularly warm response from alumni across the world and over 1,300 views on YouTube, Supporters' Lunch for 148 donors in College, a piano concerto for our Will Power legators, the best-attended Gaudy we've ever hosted, the launch of our Cedar Circle for regular donors, and our inaugural Alumni Formal Hall dinner.

The Somerville Communications team's new website for the College has continued to develop with increasing features and enhanced news pieces. Notably, the addition of an interactive map allows prospective applicants and other visitors to explore the College remotely. The team has also produced an updated prospectus which is hosted on the site to reduce printing. In a novel approach to distributing the prospectus link, they created a net of the library for students to construct with a QR code to the site.

Given the impact of the pandemic on young people's education, the activities of the Access and Outreach team have been especially important and, unimpeded by lockdowns, they have been able to return to school visits, roadshows, and open days. The generous support of our friends and donors has enabled the return to the delivery of these events in earnest as well as the expansion of our activities to a twinning programme with a local primary school.

Somerville's Development efforts are directed ultimately towards support for Somerville students now and in the future. Somerville takes very seriously the relationships we have with our donors, and none of our activity should compromise their privacy, put anybody under undue pressure, or be unreasonably persistent. All communications sent to existing supporters include an opt-out provision. We have not received any complaints about our fundraising activities during the period covered by this report.

FINANCIAL REVIEW

Summary

The financial year 2021.22 was less significantly affected by Covid than 2020.21. Income from student rents and fees was up by £1.2m, representing a return to normal after the sharp dip in 2020.21, and conference and events income recovered to two thirds of pre pandemic levels. Expenditure on teaching, research and college operations increased by £2.8m in the year although £1.4m of that was accounted for a provision against future employer contributions to the USS pension scheme. The remaining £1.4m reflected a return to having students on site for the full academic year and providing them with subsidized food and accommodation.

Donations were £0.5m lower than in 2020.21

As in 2020.21 the drawdown from our endowment was higher than normal helping to absorb the residual impact of Covid and the emerging inflationary pressures on our cost base, particularly utility costs. As a result the net operating result on unrestricted funds (excluding depreciation of £2.4m but after allowing for future capital expenditure) was break even.

Total net expenditure across all funds before investment gains/losses was £3.5m, up by £1.3m on 2020.21, explained by the £1.3m increase in the provision against future employer contributions to USS.

There was a capital loss on our endowment investments of £1.5m in the year. Perhaps less than might have been anticipated after the very substantial £16.3m gain in 2020.21.

Overall net assets therefore decreased by £5.0m (2%) from £238m to £233m. Our endowment funds stood at £94m at 31st July 2022 (£95m in July 2021).

The other significant thing that happened during the year, in anticipation of rising inflationary pressures, was that a £10m long term loan from the Co-Op Bank with a floating rate 1% above LIBOR was refinanced by an unsecured £10m private bond with M&G for thirty years at a fixed interest of 2.9%.

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 £(1.3)m (2021: £1.7m) in part because £0.6m was transferred in the year from MTST reserves to MTST endowment to allow the funding of an additional scholarship in perpetuity. Increasing these free reserves will be a priority as the college recovers over the next few years.

In addition to this the college has set aside £0.25m 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 2021 this stood at £3.1m (2021; £2.9m).

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 is monitored by the Finance Committee. At the year end, the Group's long term investments, combining the securities, property and other investments, totalled £109m, slightly down from £112m in 2021.

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 2022

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 2nd November 2022 and signed on its behalf by:



Baroness Jan Royall
Principal

SOMERVILLE COLLEGE

Independent Auditor's Report to the Members of the Governing Body of Somerville College

Opinion

We have audited the financial statements of Somerville College ('the charity') and its subsidiaries ('the group') for the year ended 31 July 2022 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 2022 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 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.

SOMERVILLE COLLEGE

Independent Auditor's Report to the Members of the Governing Body of Somerville College

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 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.

SOMERVILLE COLLEGE

Independent Auditor's Report to the Members of the Governing Body of Somerville College

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 UK LLP

Crowe U.K. LLP
Statutory Auditor

Reading

22 November 2022

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.

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.

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 accruals 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.

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.

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 2022

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2022 Total £'000	2021 Total £'000
INCOME AND ENDOWMENTS FROM:						
Charitable activities:						
Teaching, research and residential	1	6,563	-	-	6,563	5,407
Other Trading Income	3	836	-	-	836	80
Donations and legacies	2	1,271	296	588	2,155	2,625
Investments						
Investment income	4	1,003	4	2,986	3,993	3,583
Total return allocated to income	14	1,673	1,927	(3,600)	-	-
Other income	5	57	-	-	57	414
Total income		11,403	2,227	(26)	13,604	12,109
EXPENDITURE ON:						
Charitable activities:						
Teaching, research and residential		13,625	2,374	-	15,999	13,175
Raising funds:						
Fundraising		702	6	-	708	747
Trading expenditure		163	-	-	163	119
Investment management costs		82	127	-	209	207
Total Expenditure	6	14,572	2,507	-	17,079	14,248
Net Income/(Expenditure) before gains		(3,169)	(280)	(26)	(3,475)	(2,139)
Net (losses)/gains on investments	11, 12	(216)	-	(1,321)	(1,537)	16,297
Net (Expenditure)/Income		(3,385)	(280)	(1,347)	(5,012)	14,158
Transfers between funds	18	(572)	-	572	-	-
Net movement in funds for the year		(3,957)	(280)	(775)	(5,012)	14,158
Fund balances brought forward	18	140,026	2,943	94,993	237,962	223,804
Funds carried forward at 31 July		136,069	2,663	94,218	232,950	237,962

Somerville College
Consolidated and College Balance Sheets
As at 31 July 2022

	Notes	2022 Group £'000	2021 Group £'000	2022 College £'000	2021 College £'000
FIXED ASSETS					
Tangible assets	10	160,899	162,907	160,899	162,907
Property investments	11	10,397	10,577	10,397	10,577
Other Investments	12	98,488	101,378	87,146	89,898
Total Fixed Assets		269,784	274,862	258,442	263,382
CURRENT ASSETS					
Stocks		53	63	53	63
Debtors	15	2,053	1,629	2,776	2,697
Investments		-	-	-	-
Cash at bank and in hand		276	938	(718)	(393)
Total Current Assets		2,382	2,630	2,111	2,367
LIABILITIES					
Creditors: Amounts falling due within one year	16	2,109	3,777	1,952	3,716
NET CURRENT ASSETS/(LIABILITIES)		273	(1,147)	159	(1,349)
TOTAL ASSETS LESS CURRENT LIABILITIES		270,057	273,715	258,601	262,033
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		235,057	238,715	223,601	227,033
Defined benefit pension scheme liability	22	2,107	753	2,107	753
TOTAL NET ASSETS/(LIABILITIES)		232,950	237,962	221,494	226,280
FUNDS OF THE COLLEGE					
Endowment funds	18	94,218	94,993	83,072	84,280
Restricted funds	18	2,663	2,943	2,663	2,943
Unrestricted funds					
Designated funds	18	139,015	138,766	139,015	138,766
General funds	18	(839)	2,013	(1,149)	1,044
Pension reserve	22	(2,107)	(753)	(2,107)	(753)
		232,950	237,962	221,494	226,280

The financial statements were approved and authorised for issue by the Governing Body of Somerville College on 2 November 2022

Trustee: Jan Royall

Trustee: Andrew Parker



Somerville College
Consolidated Statement of Cash Flows
For the year ended 31 July 2022

	Notes	2022 £'000	2021 £'000
Net cash provided by (used in) operating activities	25	(5,201)	(3,340)
Cash flows from investing activities			
Dividends, interest and rents from investments		3,993	3,583
Proceeds from the sale of property, plant and equipment		-	-
Purchase of property, plant and equipment		(385)	(6,851)
Proceeds from sale of investments		2,253	7,889
Purchase of investments		(530)	(2,791)
Net cash provided by (used in) investing activities		5,331	1,830
Cash flows from financing activities			
Repayments of borrowing		-	-
Finance costs paid		(1,380)	(900)
Cash inflows from new borrowing		-	-
Net (additions to)/withdrawals from term deposits		-	5
Receipt of endowment		588	1,753
Net cash provided by (used in) financing activities		(792)	858
Change in cash and cash equivalents in the reporting period		(662)	(652)
Cash and cash equivalents at the beginning of the reporting period		938	1,590
Cash and cash equivalents at the end of the reporting period	27	276	938

Somerville College
Notes to the financial statements
For the year ended 31 July 2022

1 INCOME FROM CHARITABLE ACTIVITIES

	2022 £'000	2021 £'000
Teaching, Research and Residential		
Unrestricted funds		
Tuition fees - UK and EU students	1,769	1,789
Tuition fees - Overseas students	1,316	1,228
Other HEFCE support	205	236
Other academic income	221	183
College residential income	3,052	1,971
	<u>6,563</u>	<u>5,407</u>
Total Teaching, Research and Residential	<u>6,563</u>	<u>5,407</u>
Total income from charitable activities	<u>6,563</u>	<u>5,407</u>

The above analysis includes £3291k received from Oxford University from publicly accountable funds under the CFF Scheme (2021: £3253k).

Under the terms of the undergraduate student support package offered by Oxford University to students from lower income households, the college share of the fees waived amounted to £0k (2021: £0k). These are not included in the fee income reported above.

2 DONATIONS AND LEGACIES

	2022 £'000	2021 £'000
Donations and Legacies		
Unrestricted funds	1,271	510
Restricted funds	296	362
Endowed funds	588	1,753
	<u>2,155</u>	<u>2,625</u>

3 INCOME FROM OTHER TRADING ACTIVITIES

	2022 £'000	2021 £'000
Subsidiary company trading income	822	66
Other trading income	14	14
	<u>836</u>	<u>80</u>

4 INVESTMENT INCOME

	2022 £'000	2021 £'000
<i>Unrestricted funds</i>		
Commercial rent	575	467
Equity dividends	426	398
Income from fixed interest stocks	-	-
Interest on fixed term deposits and cash	-	-
Other investment income	-	-
Bank interest	2	3
	<u>1,003</u>	<u>868</u>
<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	4	4
	<u>4</u>	<u>4</u>
<i>Endowed funds</i>		
Equity dividends	2,972	2,698
Other investment income	14	13
	<u>2,986</u>	<u>2,711</u>
Total Investment income	<u>3,993</u>	<u>3,583</u>

Somerville College
Notes to the financial statements
For the year ended 31 July 2022

5	OTHER INCOME	2022	2021
		£'000	£'000
	Coronavirus Job Retention Scheme Grants	386	386
	Miscellaneous Income	28	28
		<u>414</u>	<u>414</u>
6	ANALYSIS OF EXPENDITURE	2022	2021
		£'000	£'000
	Charitable expenditure		
	Direct staff costs allocated to:		
	Teaching, research and residential	5,331	5,009
	Other direct costs allocated to:		
	Teaching, research and residential	4,846	4,086
	Support and governance costs allocated to:		
	Teaching, research and residential	5,822	4,080
	Total charitable expenditure	<u>15,999</u>	<u>13,175</u>
	Expenditure on raising funds		
	Direct staff costs allocated to:		
	Fundraising	506	500
	Other direct costs allocated to:		
	Fundraising	150	197
	Trading expenditure	47	8
	Investment management costs	190	190
	Support and governance costs allocated to:		
	Fundraising	52	50
	Trading expenditure	116	111
	Investment management costs	19	17
	Total expenditure on raising funds	<u>1,080</u>	<u>1,073</u>
	Total expenditure	<u>17,079</u>	<u>14,248</u>

The 2021 resources expended of £14,248k represented £11,784k from unrestricted funds, and £2,464k 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 £0k (2021 - £0k).

Somerville College
Notes to the financial statements
For the year ended 31 July 2022

7 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

	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

	Generating Funds £'000	Teaching and Research £'000	Public Worship £'000	Heritage £'000	2021 Total £'000
Financial administration	34	361	-	-	395
Human resources	-	115	-	-	115
IT	-	260	-	-	260
Depreciation	136	2,102	-	-	2,238
(Profit)/loss on fixed assets	-	-	-	-	-
Bank interest payable	-	1,107	-	-	1,107
Other finance charges	-	(79)	-	-	(79)
Governance costs	8	215	-	-	223
	178	4,081	-	-	4,259

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

	2022 £'000	2021 £'000
Governance costs comprise:		
Auditor's remuneration - audit services	28	31
Other governance costs	215	192
	243	223

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

2022
£'000

2021
£'000

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

Unrestricted funds

Grants to individuals:

Scholarships, prizes and grants

Bursaries and hardship awards

Grants to other institutions

Total unrestricted

Restricted funds

Grants to individuals:

Scholarships, prizes and grants

Bursaries and hardship awards

Grants to other institutions

Total restricted

Total grants and awards

-	-
-	-
-	-
-	-
707	714
84	93
-	-
791	807
791	807

The figure included above represents the cost to the College of the Oxford Bursary scheme. Students of this college received £236k (2021: £219k).

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 2022

9 STAFF COSTS

	2022 £'000	2021 £'000
The aggregate staff costs for the year were as follows.		
Salaries and wages	5,060	4,950
Social security costs	445	415
Pension costs:		
Defined benefit schemes	1,727	274
Defined contribution schemes	326	300
Other benefits	288	114
	7,846	6,053

	2022	2021
The average number of employees of the College, excluding Trustees, was as follows.		
Tuition and research	59	59
College residential	136	141
Fundraising	12	12
Support	2	2
Total	209	214

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

University Lecturers	20	19
CUF Lecturers	24	24
Other	3	3
Total	47	46

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:

£60,000-£70,000	1	1
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The number of the above employees with retirement benefits accruing was as follows:

In defined benefits schemes	-	-
In defined contribution schemes	1	1

The College contributions to defined contribution pension schemes totalled	£10k	£10k
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Somerville College
Notes to the financial statements
For the year ended 31 July 2022

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	362	17,225	158,718	4,168	180,473
Additions	575	-	41	89	705
Disposals	-	-	(290)	-	(290)
Transfers	(92)	-	45	47	-
At end of year	845	17,225	158,514	4,304	180,888
Depreciation and impairment					
At start of year	-	1,134	13,109	3,323	17,566
Depreciation charge for the year	-	172	1,948	328	2,448
Depreciation on disposals	-	-	(25)	-	(25)
At end of year	-	1,306	15,032	3,651	19,989
Net book value					
At end of year	845	15,919	143,482	653	160,899
At start of year	362	16,091	145,609	845	162,907

The above includes:

£0k (2021:£0k) of plant and machinery held under finance leases.

£0k (2021:£0k) 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	362	17,225	158,718	4,168	180,473
Additions	575	-	41	89	705
Disposals	-	-	(290)	-	(290)
Transfers	(92)	-	45	47	-
At end of year	845	17,225	158,514	4,304	180,888
Depreciation and impairment					
At start of year	-	1,134	13,109	3,323	17,566
Charge for the year	-	172	1,948	328	2,448
On disposals	-	-	(25)	-	(25)
At end of year	-	1,306	15,032	3,651	19,989
Net book value					
At end of year	845	15,919	143,482	653	160,899
At start of year	362	16,091	145,609	845	162,907

The above includes:

£0k (2021:£0k) of plant and machinery held under finance leases.

£0k (2021:£0k) 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
For the year ended 31 July 2022

11 PROPERTY INVESTMENTS

Group	Agricultural £'000	Commercial £'000	Other £'000	2022 Total £'000	2021 Total £'000
Valuation at start of year	-	10,577	-	10,577	8,710
Additions and improvements at cost	-	-	-	-	1,847
Disposals	-	-	-	-	-
Revaluation gains/(losses) in the year	-	(180)	-	(180)	20
Valuation at end of year	-	10,397	-	10,397	10,577
College	Agricultural £'000	Commercial £'000	Other £'000	2022 Total £'000	2021 Total £'000
Valuation at start of year	-	10,577	-	10,577	8,710
Additions and improvements at cost	-	-	-	-	1,847
Disposals	-	-	-	-	-
Revaluation gains/(losses) in the year	-	(180)	-	(180)	20
Valuation at end of year	-	10,397	-	10,397	10,577

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 2022 by Mr Ian Peck of Bidwells LLP.
Investments property at 31 July 2022 include those with valuations reported on the basis of a material valuation uncertainty.

12 OTHER INVESTMENTS

All investments are held at fair value.

	2022 £'000	2021 £'000
Group investments		
Valuation at start of year	101,378	92,253
New money invested	910	943
Amounts withdrawn	(2,253)	(7,888)
Reinvested income	-	-
Investment management fees	(190)	(207)
(Decrease)/increase in value of investments	(1,357)	16,277
Group investments at end of year	98,488	101,378
Investments in subsidiaries	(11,342)	(11,480)
College investments at end of year	87,146	89,898

Group investments comprise:	Held outside the UK £'000	Held in the UK £'000	2022 Total £'000	Held outside the UK £'000	Held in the UK £'000	2021 Total £'000
Equity investments	20,064	10,814	30,878	21,847	10,345	32,192
Property funds	-	533	533	-	450	450
Fixed interest stocks	2,520	3,370	5,890	2,320	3,996	6,316
Alternative and other investments	41,183	17,650	58,833	43,052	18,451	61,503
Fixed term deposits and cash	-	2,354	2,354	-	917	917
Total group investments	63,767	34,721	98,488	67,219	34,159	101,378

Somerville College
Notes to the financial statements
For the year ended 31 July 2022

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	12,240	822	542	-
Expenditure	(15,628)	(696)	(629)	-
Donation to College under gift aid	-	(126)	-	-
Result for the year	(3,388)	-	(87)	-
Total assets	260,553	968	12,059	119
Total liabilities	(39,059)	(968)	(603)	(119)
Net funds at the end of year	221,494	-	11,456	-

During the year a management charge of £82k (2021: £7k) was paid by Somerville College Trading Ltd to the College. At the year end, a balance of £845k (2021: £204k) was owed by Somerville College Trading Ltd to the College; a balance of £595k was owed by the Margaret Thatcher Scholarship Trust to the College (2021: £934k), a balance of £92k was owed by Somerville College Developments Ltd to Somerville College (2021: £75k). During the year Somerville College Developments Ltd charged Somerville College £0k (2021: £5k) for the cost of the development of the Catherine Hughes project.

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, because of the impact of the pandemic, the Trustees decided to take the maximum drawdown available from OUEM (5% of 31 December 2020 valuation) and a drawdown of £1.45m from Newton (representing 3.94% of the 31 July 2020 valuation).

	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	25,271	-	25,271		25,271
Unapplied total return		9,250	9,250		9,250
Expendable endowment				60,472	60,472
Total Endowments	25,271	9,250	34,521	60,472	94,993
Movements in the reporting period:					
Gift of endowment funds	267		267	321	588
Recoupment of trust for investment		-	-		-
Allocation from trust for investment		-	-		-
Investment return: total investment income		1,085	1,085	1,901	2,986
Investment return: realised and unrealised gains and losses		(430)	(430)	(891)	(1,321)
Less: Investment management costs			-		-
Other transfers					-
Total	267	655	922	1,331	2,253
Unapplied total return allocated to income in the reporting period		(1,308)	(1,308)	(2,292)	(3,600)
Transfers between funds		-	-	572	572
		(1,308)	(1,308)	(1,720)	(3,028)
Net movements in reporting period	267	(653)	(386)	(389)	(775)
At end of the reporting period:					
Gift component of the permanent endowment	25,538	-	25,538		25,538
Unapplied total return		8,597	8,597		8,597
Expendable endowment				60,083	60,083
Total Endowments	25,538	8,597	34,135	60,083	94,218

Somerville College
Notes to the financial statements
For the year ended 31 July 2022

15 DEBTORS

	2022 Group £'000	2021 Group £'000	2022 College £'000	2021 College £'000
Amounts falling due within one year:				
Trade debtors	954	170	144	26
Amounts owed by College members	311	343	311	343
Amounts owed by Group undertakings	-	-	1,533	1,212
Prepayments and accrued income	490	804	490	804
Other debtors	298	312	298	312
	2,053	1,629	2,776	2,697

16 CREDITORS: falling due within one year

	2022 Group £'000	2021 Group £'000	2022 College £'000	2021 College £'000
Trade creditors	816	530	808	524
Taxation and social security	317	149	210	145
Accruals and deferred income	576	603	534	552
Other creditors	400	2,495	400	2,495
	2,109	3,777	1,952	3,716

In the year payment of £750K was made to University College relating to the purchase of the freehold of 123-127 Walton Street and 25-32 Little Clarendon St Oxford and payment of £1375K was made to Shirehall relating to the purchase of 25-27 Little Clarendon Street

17 CREDITORS: falling due after more than one year

	2022 Group £'000	2021 Group £'000	2022 College £'000	2021 College £'000
Bank loans	-	10,000	-	10,000
Other creditors	35,000	25,000	35,000	25,000
	35,000	35,000	35,000	35,000

The bank loan of £10M was repaid during the year and a further £10M private placement bond was secured with Prudential M&G

Other creditors consist of a £35M private placement bond secured with Prudential M&G

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
For the year ended 31 July 2022

18 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						
1. Fellowship funding:						
Centenary Appeal Fund	879	31	-	(38)	(12)	860
E.P.A.Cephalosporin Fund	1,145	41	-	(49)	(16)	1,121
A & W Cobbe Fund 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
	29,566	1,248	-	(1,263)	(416)	29,135
Other funds less than £500,000	5,924	210	-	(253)	(83)	5,798
	35,490	1,458	-	(1,516)	(499)	34,933
2. Academic awards:						
Janet Watson Fund	976	35	-	(42)	(14)	955
Other funds less than £500,000	4,829	178	-	(206)	(68)	4,733
	5,805	213	-	(248)	(82)	5,688
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	3,575	191	-	(153)	(50)	3,563
	8,099	397	-	(347)	(113)	8,036

Somerville College
Notes to the financial statements
For the year ended 31 July 2022

18 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	3,014	107	-	(129)	(42)	2,950
	9,282	334	-	(396)	(131)	9,089
Total endowment funds, expendable	58,676	2,402	-	(2,507)	(825)	57,746
Total Endowment Funds - College	84,280	3,574	-	(3,600)	(1,182)	83,072
Endowment funds held by subsidiaries	10,713	-	-	572	(139)	11,146
Total Endowment Funds - Group	94,993	3,574	-	(3,028)	(1,321)	94,218
	At 1 August 2,021 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2,022 £'000
Restricted Funds						
Endowment income	2,404	300	(2,507)	1,927	-	2,124
Other restricted funds	539	-	-	-	-	539
Total Restricted Funds - College	2,943	300	(2,507)	1,927	-	2,663
Restricted funds held by subsidiaries	-	-	-	-	-	-
Total Restricted Funds - Group	2,943	300	(2,507)	1,927	-	2,663
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
Pension reserve	(753)	-	(1,354)	-	-	(2,107)
Total Unrestricted Funds - College	139,056	9,188	(13,942)	1,673	(216)	135,759
Unrestricted funds held by subsidiaries	970	542	(630)	(572)	-	310
Total Unrestricted Funds - Group	140,026	9,730	(14,572)	1,101	(216)	136,069
Total Funds	237,962	13,604	(17,079)	-	(1,537)	232,950

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 2022

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.
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Fixed Asset Fund	A New fund to reflect those funds invested in the College's fixed assets.
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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	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/(liabilities)	(1,499)	250	1,322	200	273
Long term liabilities	-	(37,107)	-	-	(37,107)
	<u>1</u>	<u>136,068</u>	<u>2,663</u>	<u>94,218</u>	<u>232,950</u>

Group	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2021 Total £'000
Tangible fixed assets	-	162,907	-	-	162,907
Property investments	-	10,577	-	-	10,577
Other investments	2,540	2,907	938	94,993	101,378
Net current assets	(527)	(2,625)	2,005	-	(1,147)
Long term liabilities	-	(35,753)	-	-	(35,753)
	<u>2,013</u>	<u>138,013</u>	<u>2,943</u>	<u>94,993</u>	<u>237,962</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 2022

21 TRUSTEES' REMUNERATION cont.
Remuneration paid to trustees

Range	2022		2021	
	Number of Trustees/Fellows	Gross remuneration, taxable benefits and pension contributions £	Number of Trustees/Fellows	Gross remuneration, taxable benefits and pension contributions £
£0-£1,000				
£2,000-£2,999				
£4,000-£4,999				
£7,000-£7,999				
£9,000-£9,999	1	9,510		
£10,000-£10,999	1	10,385	1	10,468
£11,000-£11,999			1	11,600
£12,000-£12,999	1	12,329	1	12,879
£13,000-£13,999	1	13,391	1	13,540
£15,000-£15,999	1	15,981		
£18,000-£18,999			2	37,124
£20,000-£20,999	1	20,789		
£22,000-£22,999	1	22,848		
£24,000-£24,999	1	24,684	11	270,414
£25,000-£25,999	10	250,391		
£26,000-£26,999				
£30,000-£30,999			1	30,647
£31,000-£31,999	1	31,358		
£37,000-£37,999	1	37,036		
£38,000-£38,999			1	38,508
£40,000-£40,999				
£43,000-£43,999	1	43,396	1	43,819
£44,000-£44,999			1	44,872
£46,000-£46,999	1	46,807		
£47,000-£47,999	1	47,518	1	47,509
£48,000-£48,999			1	48,508
£50,000-£50,999	1	50,184		
£51,000-£51,999	1	51,620		
£52,000-£52,999	1	52,665		
£55,000-£55,999				
£58,000-£58,999			5	294,982
£59,000-£59,999			3	178,079
£60,000-£60,999	9	541,574		
£63,000-£63,999			2	127,254
£67,000-£67,999	1	67,003		
£81,000-£81,999				
£82,000-£82,999				
£87,000-£87,999			1	87,125
£90,000-£90,999				
£91,000-£91,999	1	91,815	1	91,157
£92,000-£92,999	1	92,712		
£121,000-£121,999			1	121,224
£122,000-£122,999			1	122,196
£125,000-£125,999	1	125,109		
£126,000-£126,999	1	126,150		
£144,000-£144,999			1	144,218
£146,000-£146,999	1	146,860		
Total	41	1,932,115	38	1,776,123

7 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 £7K (2021 - £6K) was reimbursed to 8 (2021 - 5) of the Trustees for research.

See also note 27 Related Party Transactions

Key management remuneration

The total remuneration paid to key management was £643k (2021: £623k).

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

The 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:	30/09/1931
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	
Rate of increase in pensions	
Assumed life expectancies on retirement at age 65:	
Males currently aged 65	23.9 yrs
Females currently aged 65	25.5 yrs
Males currently aged 45	25.9 yrs
Females currently aged 45	27.3 yrs
Funding Ratios:	
Technical provisions basis	83%
Statutory Pension Protection Unit	64%
'Buy-out' basis	51%
Employer contribution rate (as % of pensionable salaries):	21.1% to 21.4 from 1 Oct 21%
Effective date of next valuation:	31/03/2023

- The discount rate (forward rates) for the USS valuation was:
Fixed interest gilt yield curve plus: Pre-retirement 2.75%, post-retirement 1.00%
- 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.
- 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
For the year ended 31 July 2022

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
Initial pre-retirement discount rate	increase by 0.25%
Post-retirement discount rate	Decrease by 0.25%
CPI	decrease by 0.1%
Life expectancy	more prudent assumption
Rate of mortality	more prudent assumption

The pension charge for the year in the Statement of Financial Activities includes £1,727k (2021 - £274k) in relation to the USS. This represents normal contributions of £380k (2021 - £359k) payable to the USS as adjusted by the change in the deficit funding liability between the opening and closing balance sheet dates of £1,347k (2021 - £85k).

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 2021 the College's provision for the USS deficit funding liability was £2,107k (2021 - £753k).

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:

	2022 £k	2021 £k
University Superannuation Scheme	1,727	274
Aviva NGGPS	326	300
	<u>2,053</u>	<u>574</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 2022

24 FINANCIAL INSTRUMENTS

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

	Group		College	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Financial assets measured at fair value through profit or loss	98,488	101,378	87,146	89,898
Financial liabilities measured at fair value through profit or loss	2,107	753	2,107	753
Financial assets measured at amortised cost	2,114	2,365	1,843	2,102
Financial liabilities measured at amortised cost	36,729	38,593	36,679	38,536

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

	2022 Group £'000	2021 Group £'000
Net income/(expenditure)	(5,012)	14,158
Elimination of non-operating cash flows:		
Investment income	(3,993)	(3,583)
(Gains)/losses in investments	1,537	(16,297)
Endowment donations	(588)	(1,753)
Financing costs	1,190	1,107
Depreciation	2,448	2,239
(Surplus)/loss on sale of fixed assets	(55)	-
Decrease in stock	10	20
Increase in debtors	(424)	(288)
Decrease in creditors	(1,668)	1,136
Decrease)/Increase in provisions	1,354	(79)
Net cash provided by (used in) operating activities	<u>(5,201)</u>	<u>(3,340)</u>

26 ANALYSIS OF CHANGES IN NET DEBT

	Start of Year £'000	Cash Flows £'000	End of Year £'000
Cash	938	(662)	276
Loans falling due after more than one year	(35,000)	-	(35,000)
Total	<u>(34,062)</u>	<u>(662)</u>	<u>(34,724)</u>

27 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2022 £'000	2021 £'000
Cash at bank and in hand	276	938
Total cash and cash equivalents	<u>276</u>	<u>938</u>

Somerville College
Notes to the financial statements
For the year ended 31 July 2022

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:

	2022 £'000	2021 £'000
Group and Company		
Not later than 1 year	539	647
Later than 1 year and not later than 5 years	1,611	1,977
Later than 5 years	2,174	2,312
	4,324	4,936

29 CAPITAL COMMITMENTS

The College had contracted commitments at 31 July for future capital projects totalling £0k (2021 - £0k).

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.

	2022 £'000	2021 £'000
B Thompson	100	100

Interest is charged on the above loan at 4% per annum. The loan is repayable within 3 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.

	2022 £'000	2021 £'000
A Sutherland	159	163
M Hayward	68	70
C Hare	158	162
R Van der Hoorn	0	89
B Dignas	0	179
L Mycock	185	189

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

31 CONTINGENT LIABILITIES

There were no contingent liabilities at 31 July 2022

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 2022

33 PRIOR YEAR COMPARATIVE INFORMATION

a. Consolidated Statement of Financial Activities
For the year ended 31 July 2021

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2021 Total £'000
INCOME AND ENDOWMENTS FROM:				
Charitable activities:				
Teaching, research and residential	5,407	0	0	5,407
Other Trading Income	80	0	0	80
Donations and legacies	510	362	1,753	2,625
Investments				
Investment income	868	4	2,711	3,583
Total return allocated to income	1,900	2,188	(4,088)	0
Other income	414	0	0	414
Total income	9,179	2,554	376	12,109
EXPENDITURE ON:				
Charitable activities:				
Teaching, research and residential	10,831	2,344	0	13,175
Raising funds:				
Fundraising	747	0	0	747
Trading expenditure	119	0	0	119
Investment management costs	87	120	0	207
Total Expenditure	11,784	2,464	0	14,248
Net Income/(Expenditure) before gains	(2,605)	90	376	(2,139)
Net gains/(losses) on investments	2,773	0	13,524	16,297
Net Income/(Expenditure)	168	90	13,900	14,158
Transfers between funds	2,570	0	(2,570)	0
Net movement in funds for the year	2,738	90	11,330	14,158
Fund balances brought forward	137,288	2,853	83,663	223,804
Funds carried forward at 31 July	140,026	2,943	94,993	237,962

b. ANALYSIS OF MOVEMENTS ON FUNDS

	At 1 August 2020 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2021 £'000
Endowment Funds - Permanent						
1. Fellowship funding:						
Fellowship Endowment Fund	4,884	390	-	(276)	777	5,775
Indira Gandhi Fund	4,376	246	-	(247)	696	5,071
Catherine Hughes Fund	1,352	51	-	(76)	215	1,542
P. Norman Fellowship Fund	1,807	68	-	(102)	287	2,060
Scollan Fund	-	862	-	1,067	180	2,109
Other funds less than £500,000	1,815	68	-	(102)	289	2,070
2. Academic awards:						
Funds less than £500,000	1,262	47	-	(71)	201	1,439
3. Student support:						
Funds less than £500,000	2,034	147	-	(115)	324	2,390
4. Other funds:						
College Capital Fund	2,762	103	-	(156)	439	3,148
Total endowment permanent	20,292	1,982	-	(78)	3,408	25,604
Endowment Funds - Expendable						

Somerville College
Notes to the financial statements
For the year ended 31 July 2022

33

1. Fellowship funding:						
b. Centenary Appeal Fund	771	29	-	(44)	123	879
E.P.A.Cephalosporin Fund	1,004	38	-	(57)	160	1,145
A & W Cobbe Fund Fund	3,663	137	-	(207)	583	4,176
L.Labowsky Fund 1992	722	27	-	(41)	115	823
Mitchell Fund	2,530	95	-	(143)	403	2,885
Carlisle & C.A.Lee Fund	856	32	-	(48)	136	976
Ernest Cook Fund	964	36	-	(54)	153	1,099
Mary Ewart Trust Fund	1,160	43	-	(66)	185	1,322
Rose Graham Fund	1,651	62	-	(93)	263	1,883
Daphne Osborne Fund	6,100	228	-	(344)	970	6,954
C. & D. Roaf Fund	1,313	49	-	(74)	209	1,497
Mary Snow Fellowship Fund	1,613	60	-	(91)	257	1,839
Mary Somerville Research Fund	1,050	39	-	(59)	167	1,197
Margaret Thatcher Fund	413	15	-	(23)	66	471
K & L Woolley Fund Fund	955	36	-	(54)	152	1,089
Wolfson Fund	725	27	-	(41)	115	826
E Goulding Fund	-	505	-	-	-	505
Scollan Fund	1,131	-	-	(1,131)	-	-
	26,621	1,458	-	(2,570)	4,057	29,566
Other funds less than £500,000	5,195	196	-	(293)	826	5,924
	31,816	1,654	-	(2,863)	4,883	35,490
2. Academic awards:						
Janet Watson Fund	856	32	-	(48)	136	976
Other funds less than £500,000	4,230	165	-	(239)	673	4,829
	5,086	197	-	(287)	809	5,805
3. Student Support:						
Bursary Fund	3,125	153	-	(176)	497	3,599
Dame Emily Penrose Fund	812	30	-	(46)	129	925
Other funds less than £500,000	3,118	137	-	(176)	496	3,575
	7,055	320	-	(398)	1,122	8,099

ANALYSIS OF MOVEMENTS ON FUNDS cont.

4. Other funds:						
General Endowment Fund	3,657	142	-	(207)	582	4,174
Loan Repayment Fund	2,217	-	-	(2,570)	353	-
Carys Bannister Fund	1,234	46	-	(70)	196	1,406
C A Lee Fund	603	23	-	(34)	96	688
Other funds less than £500,000	2,645	99	-	(151)	421	3,014
	10,356	310	-	(3,032)	1,648	9,282
Total endowment funds, expendable	54,313	2,481	-	(6,580)	8,462	58,676
Total Endowment Funds - College	74,605	4,464	-	(6,658)	11,869	84,280
Endowment funds held by subsidiaries	9,058	-	-	-	1,655	10,713
Total Endowment Funds - Group	83,663	4,464	-	(6,658)	13,524	94,993
	At 1 August	Incoming	Resources	Transfers	Gains/	At 31 July
	2,020	resources	expended		(losses)	2,021
	£'000	£'000	£'000	£'000	£'000	£'000
Restricted Funds						
Endowment income	2,314	366	(2,464)	2,188	-	2,404
Other restricted funds	539	-	-	-	-	539
Total Restricted Funds - College	2,853	366	(2,464)	2,188	-	2,943
Restricted funds held by subsidiaries	-	-	-	-	-	-
Total Restricted Funds - Group	2,853	366	(2,464)	2,188	-	2,943
Unrestricted Funds						
General funds	384	-	-	659	-	1,043
Designated funds	3,500	-	-	-	-	3,500
Loan designated fund	-	-	-	2,907	-	2,907
Fixed Asset designated funds	133,398	6,767	(11,265)	825	2,634	132,359
Revaluation reserve	-	-	-	-	-	-
Pension reserve	(832)	-	-	79	-	(753)
Total Unrestricted Funds - College	136,450	6,767	(11,265)	4,470	2,634	139,056
Unrestricted funds held by subsidiaries	838	512	(519)	-	139	970
Total Unrestricted Funds - Group	137,288	7,279	(11,784)	4,470	2,773	140,026
Total Funds	223,804	12,109	(14,248)	-	16,297	237,962