



NEW COLLEGE OXFORD

Annual Report and Financial Statements

Year ended 31 July 2019

Registered charity 1142701

NEW COLLEGE
Annual Report and Financial Statements
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Governing Body, Officers and Advisers

Year ended 31 July 2019

MEMBERS OF THE GOVERNING BODY

The Members of the Governing Body as the Warden & Fellows are the College's charity trustees under charity law. The Members of the Governing Body during the year and at the date of this Report are listed below: (* indicates from 1/10/19; the year is the year of election to a Fellowship; the College appointment is listed in italics, including as a College Officer, and then any University appointment)

Warden

2016 Young, Peter Miles, MA Oxford

Fellows

- 1984 Ratcliffe, Richard George, MA DPhil Oxford *Tutor in Biochemistry; Professor of Plant Sciences*
- 1988 Palfreyman, David, OBE, FRSA, LLB Oxford Brookes, MBA Aston, MA Oxford *Bursar*
- 1989 Williams, Martin Stewart, BSc PhD Bristol, MA Oxford *Professor of Engineering Science, Pro-Vice Chancellor - Education*
- 1990 Frazer, Elizabeth Joan, MA DPhil Oxford *Tutor in Politics; University Lecturer in Politics*
- 1990 Helm, Dieter, CBE, MA DPhil Oxford *Tutor in Economics; Professor of Energy Policy*
- 1992 Parrott, David Anthony, MA DPhil Oxford *Tutor in History, Precentor; CUF Lecturer in History*
- 1993 Leeder, Karen, MA DPhil Oxford *Tutor in German; Professor of Modern German Literature*
- 1995 Griffith, Mark Stephen, MA DPhil Oxford *Richard Ellmann Fellow, Tutor in English, Senior Tutor (to 31.08.18)*
- 1995 Burden, Michael John, BA MA Adelaide, MA Oxford, PhD Edinburgh *Tutor in Music, Dean, Chattels and Pictures Fellow, Portraits Fellow, Professor of Opera Studies*
- 1995 Wathen, Andrew John, MA Oxford, PhD Reading *Tutor in Mathematics; Professor of Computational Mathematics*
- 1996 Kelly, Catriona Helen Moncrieff, MA DPhil Oxford, FBA *Tutor in Russian; Professor of Russian*
- 1996 Whittington, Richard, MBA Aston, MA Oxford, PhD Manchester *Millman Tutorial Fellow in Business Studies, Tutor for Undergraduate Admissions (to 30.09.18), Sub-Warden (to 30.09.18); Professor of Strategic Management*
- 1997 Thomas, Caroline Mary Angela, BA Wales, MBA Aston, MA MLitt Oxford *Home Bursar (retired 31.12.2018)*
- 1998 Mulhall, Stephen James, MA DPhil Oxford, MA Toronto *Tutor in Philosophy; Professor of Philosophy*
- 2000 Williamson, Timothy, MA Dublin, MA DPhil Oxford, FBA, FRSE *Professorial Fellow, Sub-Warden (from 1.10.18 to 30.09.19); Wykeham Professor of Logic*
- 2001 Mash, Richard Terry Bernard, MA DPhil Oxford *Tutor in Economics*
- 2001 Hewstone, Miles, BSc Bristol, MA DPhil DSc Oxford, Habil Tübingen, FBA *Tutor in Psychology; Professor of Social Psychology (retired 22.06.19)*
- 2001 Kimel, Dori, BA LLB Tel Aviv, MA DPhil Oxford *Tutor in Law, Sub-Warden (from 01.10.19); Reader in Legal Philosophy*
- 2002 Gavaghan, David John, BA Durham, MA MSc DPhil Oxford *Supernumerary Fellow; Professor in Computational Biology*
- 2003 Lightfoot, Jane Lucy, MA DPhil Oxford *Charlton Fellow and Tutor in Classics, Professor in Classical Languages and Literature*
- 2003 Bañares-Alcántara, René, BSc Mexico, MA Oxford, MS PhD Carnegie Mellon *Tutor in Engineering; Reader in Engineering Science*
- 2004 Bright, Susan, BCL MA Oxford *Harvey McGregor Fellow, Tang Lecturer and Tutor in Law; Professor of Land Law*

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- 2004 Halbach, Volker, MA PhD Munich, MA Oxford *Tutor in Philosophy; Professor of Philosophy*
- 2004 Poole, William Everitt, MA DPhil Oxford *John Galsworthy Fellow and Tutor in English, Fellow Librarian, Senior Tutor (from 06.11.18)*
- 2004 Zorin, Andrei, MA PhD Habil Moscow, MA Oxford *Professorial Fellow; Professor of Russian*
- 2005 Pybus, Oliver, BSc Nott, MSc York, MA DPhil Oxford *Professorial Fellow and Professor of Evolution and Infectious Disease*
- 2005 Flynn, Eugene Victor, BA Otago, MA Oxford, PhD Cambridge *Tutor in Mathematics; Professor of Mathematics*
- 2005 Timmel, Christiane Renate, Dipl Chem TU Dresden, MA DPhil Oxford *Tutor in Chemistry; Professor in Inorganic Chemistry*
- 2006 Slyz, Adrienne, BSc Harvard, MSc PhD Columbia, MA Oxford *Tutor in Physics; University Lecturer in Physics*
- 2007 Venables, Anthony James, CBE, BA Cambridge, MA DPhil Oxford, FBA *Professorial Fellow; BP Professor of Economics and Director of Oxcarre*
- 2007 Temple, Rosalind Ann Marie, MA MPhil Oxford, PhD Wales *Supernumerary Fellow, Tutor for Graduates and Graduate Admissions; University Lecturer in French Linguistics*
- 2007 Sako, Mari, MA Johns Hopkins, MSc PhD London, MA Oxford *Professorial Fellow; Professor of Management Studies*
- 2008 Black, Jonathan, MA MEng Cambridge, MA Oxford *Professorial Fellow, IT Fellow, Tutor for Welfare; Director of the University Careers Service*
- 2008 du Sautoy, Marcus, OBE, MA DPhil Oxford, FRS *Professorial Fellow; Charles Simonyi Professor of the Public Understanding of Science, Professor of Mathematics*
- 2009 Limebeer, David Noel John, BSc Witwatersrand, MSc PhD Natal, DSc London *Professorial Fellow; Professor of Control Engineering (retired 30.09.18)*
- 2009 McGrady, John Ewart, MA PhD ANU *Tutor in Chemistry, Tutor for Undergraduate Admissions (from 01.10.18); Professor of Computational Inorganic Chemistry*
- 2010 Marcus, Laura, MA PhD Kent, MA Oxford, FBA *Professorial Fellow; Goldsmiths' Professor of English Literature*
- 2011 Curtis, Mark Edward, MA Oxford *Director of Development*
- 2011 Longfellow, Erica, BA Duke, DPhil Oxford *Chaplain and Dean of Divinity*
- 2012 Sullivan, Hannah, BA Cambridge, MRes London, PhD Harvard *Tutor in English; University Lecturer in English*
- 2012 Conlon, Joseph Patrick, BSc R'dg, MA PhD Cambridge *Tutor in Physics; Royal Society University Research Fellow*
- 2012 Vedaldi, Andrea, Laurea Padua, MSc PhD UCLA *Tutor in Engineering; University Lecturer in Engineering (resigned 30.09.19)*
- 2012 Fait, Paolo, BA PhD Florence *Anthony Quinton Fellow and Tutor in Classical Philosophy*
- 2012 Husain, Masud, BM BCh MA DPhil Oxford, FRCP (London) FMedSci *Professorial Fellow; Professor of Neurology and Cognitive Neuroscience Philosophy*
- 2012 Balbus, Steven Andrew, SB MIT, PhD Berkeley, FRS *Professorial Fellow; Savilian Professor of Astronomy*
- 2013 Churchill, Grant Charles, BSA MSc Saskatchewan, MA Oxford, PhD Minnesota *Tutor in Medicine, Equality & Diversity Fellow (from 01.10.18); University Lecturer in Chemical Pharmacology*
- 2013 Griffin, Ashleigh Susannah BSc PhD Edinburgh *Tutor in Biological Sciences; University Lecturer in Evolutionary Biology*
- 2014 Spackman, Giles Richard Lovell, MA Oxford, MBA Harvard *Professorial Fellow; Group Finance Director OUP*

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- 2014 Quinney, Robert James Henry, MA MPhil Cambridge *Tutor in Music, Organist; Associate Professor in Music*
- 2014 Meadows, Andrew Robert, MA DPhil Oxford, AM Michigan *Tutor in Ancient History; Associate Professor in Ancient History*
- 2015 Counter, Andrew Joseph, MA MPhil PhD Cambridge *Tutor in French; Associate Professor in French*
- 2015 Stokes, Mark Geoffrey, BA, BSc Melbourne PhD Cambridge *Tutor in Experimental Psychology; Associate Professor in Cognitive Neuroscience*
- 2016 Adams, Abigail, MA MPhil DPhil Oxford *Tutor in Economics, Equality & Diversity Fellow (to 30.09.18); Associate Professor in Economics (resigned 31.08.19)*
- 2016 Claussen, Emma Caitlin, BA Oxford, MA KCL *Career Development Fellow; Tutor in French (resigned 30.09.19)*
- 2016 Dimelow, Stephen John, LLB Glamorgan, LLM Cambridge *Career Development Fellow; Tutor in Law*
- 2017 Morrison, Alexander, MA DPhil Oxford *Tutor in History; Associate Professor in History of Modern War*
- 2017 Easton, Robert, BSc London, DPhil Oxford *Professorial Fellow; Pro-Vice Chancellor – Development & External Relations*
- 2018 Kirwan, Frances, BA Cambridge, DPhil Oxford *Professorial Fellow; Savilian Professor of Geometry*
- 2018 Wells, Gerald Raymond, BSc Open University *Home Bursar*
- 2018 Luraghi, Nino, BA Venice, PhD Rome *Professorial Fellow; Wykeham Professor of Ancient History*
- 2019 Rossi, Barbara, BEng MSc MAS PhD Liege *Tutor in Engineering; Associate Professor in Engineering Science (appointed 04.03.19)*
- 2019 Pearson, Lindsay Ronald, MA Oxford *Professorial Fellow; Director of Finance (appointed 19.06.19)*

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Governing Body, Officers and Advisers

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COLLEGE OFFICERS

Besides the Warden, there are certain College Officers, all of whom are also Fellows: the Sub-Warden (elected and changing annually); Bursar, Dean, Development Director, Fellow Librarian, Home Bursar, Senior Tutor, Tutor for Admissions, Tutor for Graduates, Chaplain, and Precentor. The Fellows holding such posts are listed above.

COLLEGE SENIOR STAFF

There are certain College Senior Staff: Headmaster of New College School, Accountant, Catering Manager, Clerk of Works, IT Services Director, Librarian.

COLLEGE ADVISERS:

Investment managers

HERONBRIDGE: Heronbridge Investment Management LLP, 24 Gay Street, Bath, BA1 2DP

LANSDOWNE: Lansdowne Partners Limited, 15 Davies Street, London, W1K 3AG

RUFFER: Ruffer LLP, 80 Victoria Street, London, SW1E 5JL

TROY: Troy Asset Management Limited, Brookfield House, 44 Davies Street, London, W1K 5JA

VANGUARD: Vanguard Asset Management Limited, 4th Floor, The Walbrook Building, 25 Walbrook, London, EC4N 8AF

WILLIS TOWERS WATSON: Towers Watson Investment Management Limited, 51 Lime Street, London, EC3M 7DQ

Investment property managers

COLLIERS: Colliers International, Central London Division, 9 Marylebone Lane, London, W1U 1HL

Auditor

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

Bankers

NATIONAL WESTMINSTER: National Westminster Bank plc, 43 Cornmarket Street, Oxford, OX1 3ES

Solicitors

STEPHENSON HARWOOD: Stephenson Harwood LLP, 1 Finsbury Circus, London, EC2M 7SH

COLLEGE ADDRESS & WEBSITE

New College, Holywell Street, OXFORD, OX1 3BN, UK

(01865 279500 Lodge)

www.new.ox.ac.uk

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Report of the Governing Body

Year ended 31 July 2019

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

REFERENCE AND ADMINISTRATIVE INFORMATION

The College of St Mary of Winchester in Oxford, commonly called New College, is a constituent college within the University of Oxford, and is known as New College, Oxford. It is an eleemosynary lay chartered charitable corporation aggregate. It was founded by William of Wykeham, Bishop of Winchester, under a Royal Charter of Richard the Second (dated 30th June 1379) and a Deed of Foundation (dated 26th November 1379). The corporation comprises the Warden and Fellows as the Members of the Governing Body; and the foundation comprises the Warden, Fellows, and Scholars. New College is a Registered Charity (Number 1142701). The trade-name 'New College Oxford' is registered (No. 2588652). The names of all Members of the Governing Body at the date of this Report and of those who were Fellows during the year - together with list of the College Officers, of its Senior Staff, and of its Advisers - are given above.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

The College is governed by its Charter & Statutes, and the terms of the latter are ultimately enforceable by the Visitor, the Lord Bishop of Winchester. The College Statutes are as made from time to time by Order of Her Majesty in Council in accordance with the Royal Charter of 1379 and the Universities of Oxford and Cambridge Act 1923. The Statutes were extensively revised in 2005-6, and the revisions approved by the Privy Council in July 2006.

Governing Body

The Governing Body is constituted and regulated in accordance with the College Statutes, and comprises the Warden & Fellows who are a self-appointing corporate body. The Governing Body determines the ongoing strategic direction of the College and regulates its administration, and also the management of its finances and assets. It meets regularly under the chairmanship of the Warden and is advised by Committees, whose remit and membership it determines from time to time.

Recruitment and training of Members of the Governing Body

New Members of the Governing Body are elected and duly inducted into the workings of the College, including Governing Body policy and procedures. Members of the Governing Body are kept informed on current issues in the charities sector and on its regulatory requirements, as well as on the university sector, by the College Officers/Committees.

Remuneration of Members of the Governing Body and Senior College Staff

Members of the Governing Body are primarily Fellows who also are teaching and research employees of the College and receive no remuneration or benefits from their trusteeship of the College. Those trustees that are also employees of the College receive remuneration for their work as employees of the College which is based on the advice of the College's Remuneration Committee, members of which are not trustees and are not in receipt of remuneration from the College. Where possible, remuneration is set in line with that awarded to the University's academic staff, which in turn links to national pay awards for university employees.

The remuneration of Senior Staff is set by Governing Body.

Organisational management

The Members of the Governing Body meet termly. The work of developing its policies and monitoring the implementation of these is carried out mainly by certain key Committees: Academic Strategy, Admissions, Buildings, Development, Endowment, Equality & Diversity, Finance & General Purposes, IT, Library, Remuneration, Tuition, Research & Graduates, Warden & Tutors. The Endowment Committee benefits from the presence of alumni as non-voting members; and the Remuneration Committee comprises Honorary Fellows and external members, none of whom are Members of the Governing Body.

The day-to-day running of the College is delegated to the College Officers as supported by the Senior Staff and as advised by the College Advisers, all as listed above.

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Report of the Governing Body

Year ended 31 July 2019

Group structure and relationships

The College administers a number of special trusts, as detailed in the Notes to the Financial Statements.

The College has a wholly-owned non-charitable subsidiary, Longwall Limited, which was dormant during the year.

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.

The College is supported financially by the New College Development Fund (Registered Charity No. 900202), which is managed by three trustees (two alumni and the College as a corporate trustee).

OBJECTIVES AND ACTIVITIES

Charitable Objects and Aims

The College's charitable objectives as registered with the Charity Commission are: the advancement of education, learning and research (as discussed below); and the advancement of religion (in that the College is a choral college in accordance with the Founder's intentions and hence it sustains a Choir and a Choir School).

The College provides, in conjunction with the University of Oxford, an education for over 700 undergraduate and graduate students. This education develops students academically and advances their leadership qualities and interpersonal skills, and so prepares them to play full and effective roles in society and within the economy. In particular, the College provides: teaching facilities and individual or small-group supervision, as well as pastoral, administrative and academic support through its tutorial and graduate mentoring systems; specialist choral musical education for its choral students, who with the New College School choristers make-up the College's Choir; and social, cultural, musical, recreational and sporting facilities – all so as to enable as far as possible its students to fulfil their academic and personal potential whilst studying at the College.

In addition, the College advances research by: providing Junior Research Fellowships to outstanding academics at the early stages of their careers, which enable them to develop and focus on their research in this formative period before they undertake the full teaching and administrative duties of an academic post; supporting research work pursued by its other Fellows through promoting interaction across disciplines, providing facilities, and providing grants for national and international conferences, research trips and research materials; encouraging visits from outstanding academics from abroad; and encouraging the dissemination of research undertaken by members of the College through the publication of papers in academic journals or other suitable means.

The College maintains an extensive Library (including important special collections), so providing a valuable resource for students and Fellows of the College, and the University of Oxford more widely, as well as external scholars and researchers.

The Governing Body has considered the Charity Commission's guidance on public benefit and in keeping with its objects, the College's contributions for the public benefit are:

- the advancement of education and learning by providing education to undergraduate and postgraduate students, the students being selected on academic merit;
- the provision of research and scholarship;
- the provision of bursaries to those students in need of financial support, and, more widely, of scholarships to support students in financial difficulty, so that all students should be able to attend the College, regardless of household income; and
- the maintenance of the English choral tradition, with the Chapel being open as a place of public worship.

ACHIEVEMENTS AND PERFORMANCE

The College has had another successful year teaching undergraduates, and providing a home for graduate students. Some 417 undergraduates were in residence, and 391 graduates. Each graduate has a College Advisor, who provides support. Academically, our undergraduates again performed outstandingly well, with 48 First Class Honours. The MCR is intellectually vibrant, the vitality evidenced in their latest publication of research papers in the journal, 'The New Collection'. The College was very pleased to note the award of a

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Year ended 31 July 2019

Nobel Prize to its alumnus Professor Stanley Whittingham. A significant new appointment was made of a Fellow in Engineering, Professor Barbara Rossi. Nine new JRFs were also appointed.

The Choir has continued a high and acclaimed level of performance, both in College and out. The Chapel was the object of a review to assess how to optimise its role and presence in the community, following which a number of practical proposals have been implemented, with a positive impact on congregations and engagement. These include the inauguration of a new series, 'The Good Life', where academics talk about insights from their subject areas on everyday life.

The major capital project to build two new quadrangles in Mansfield Road is on course, according to the agreed timetable. Building contractors have been provisionally appointed, and the site cleared. The New Music Practice Rooms have been opened, and are almost continuously booked. They have added an important dimension to the College's provision of a first class music education. Meantime, our new Kimber Wing offers two rooms to cater for disabled students to a very high specification, along with a Carer's room.

The College is conscious of its cultural heritage, and has recently restored the window display in the Morris Garage building facing Longwall, and the small museum in Halley's house in 7 New College Lane. A new plaque fronting the street commemorates Halley, on the 400th Anniversary of the Founding of the Savilian Chairs.

The College's access initiative which reaches out to students from challenged backgrounds continues to ramp up in scale. Our Step Up Programme has 30 all-state schools and sixth form colleges enrolled across the College. The College was also one of the Colleges which hosted the pilot UNIQ+ programme for graduate access.

Alumni events have been wide-ranging and strongly supported, ranging from social and cultural events, to the annual Careers Fair in College, and the continued development of our Entrepreneurs' Network. This year £3.5m was received in legacies and donations.

New College School appointed a new Headteacher, Dr Matthew Jenkinson, who has settled in extremely well. The rolls remain full, and the school continues to perform excellently against all its academic and pastoral objectives.

FINANCIAL REVIEW

The financial year saw the College's consolidated funds fall by £2.5m to £305.3m (2018: £307.8m). This decrease is made up of a £3.6m decrease in endowment funds, a £0.1m increase in restricted funds, and a £1m increase in unrestricted funds.

Income during the year was £17.4m (2018: £18.7m):

	2019	2018
• Tuition fees and other academic income	£3.4m	£3.5m
• Residential income	£3.6m	£3.6m
• Donations and legacies	£3.5m	£5.3m
• Choir School fees and public worship	£2.3m	£2.3m
• Admission charges and facilities fees	£0.2m	£0.5m
• Investment income	£4.3m	£3.6m

Endowment donations during the year were reduced in comparison to 2018, when £1.4m to support a Philosophy Fellowship and £0.3m for student hardship funds had been received. Other donations in the year included £2.1m for the Gradel Quadrangles project (£2018: £2m). Residential income rose very slightly in the year despite a number of student rooms in Savile House and Warham House being decommissioned in preparation for the Gradel Quadrangles project.

Expenditure during the year rose by £3m to £20.1m (2018: £17.1m).

	2019	2018
• Teaching and residential activity	£16.3m	£13.6m
• Choir School and public worship	£2.6m	£2.4m
• Fundraising and investment fees	£1.2m	£1.1m

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Year ended 31 July 2019

The major increases in spend in the year were:

- | | | |
|------------------------------------|-------|--------|
| • USS pension scheme deficit | £1.8m | -£0.1m |
| • Depreciation – building projects | £1.4m | £1.0m |

The 2017 actuarial valuation of the Universities Superannuation Scheme (USS) saw the Scheme's funding deficit rise by £2.2bn to £7.5bn from the previous valuation (2014: £5.3bn). The College's share of this deficit is calculated to be £2.9m (2018: £1.0m). Note 21 to the following Financial Statements details more about the USS deficit and recovery plan.

Two significant additions to the College's operational assets were completed in the year: the Clore Music Practice Rooms and the Morris Garages/18-20 Longwall redevelopment, the latter incorporating the new Kimber Wing purpose-built enabled-access accommodation. The associated depreciation charges amounted to £0.4m. Some £4m of donations had been received towards these projects in previous years, effectively funding £0.1m of the depreciation charges in this and future years.

Gains on investments during the year were £258k (2018: £19,263k).

College's unrestricted funds showed a net surplus of £1,005k for the year (2017: £6,517k).

The School's pupil numbers are at capacity, and the School achieves a surplus for the year of £9k (2018: £31k).

Fixed asset additions in the year were £4.5m (2018: £10.4m). A new subsidiary company, Longwall II Limited, was created in the year to take over the Gradel Quadrangles development (including all costs previously incurred by the College) as it moved into the enabling works stage: in-year expenditure amounted to £3m (2018: £3.4m). Completion of the Clore Practice Rooms and the Morris Garages/18-20 Longwall projects saw spend of £1.2m (2018: £6.3m).

The Governing Body continues to exercise firm control over costs and to seek additional income via existing and new income-generating activities, ranging from the conference trade to alumni-giving.

Reserves policy

The College's reserves policy is to maintain sufficient free reserves to enable it to meet its short-term financial obligations in the event of an unexpected revenue shortfall and to allow the College to be managed efficiently and to provide a buffer that would ensure uninterrupted services. The Warden & Fellows are satisfied that the overall level of the Reserves of the College as a charity are appropriate in relation to the present levels of activity and the perceived levels of risk identified as part of the risk assessment and risk management process.

Total funds of the College at the year-end amounted to £305.3m (2018: £307.8m), comprised of:

	£m	£m
• Endowment funds		
o General purpose	223.4	
o Restricted purpose	<u>33.1</u>	256.5
• Restricted funds		
o Unspent endowment income	0.9	
o Other	<u>1.6</u>	2.5
• Unrestricted funds		
o General free reserves	1.5	
o Designated reserves	48.4	
o Pension deficit reserves	<u>-3.6</u>	46.3

Designated reserves include the £44.1m land/building depreciation reserves (to fund the book value of tangible fixed assets, less associated funding arrangements) and the £3.3m Major Maintenance Reserve.

Risk management

The College has processes which operated through-out the financial year for identifying, evaluating and managing the principal risks and uncertainties faced by the College in undertaking its activities. When it is not able to address risk issues using internal resources, the College takes advice from experts external to the College with specialist knowledge. Policies and procedures within the College are reviewed by the relevant

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Report of the Governing Body

Year ended 31 July 2019

College Committee. Financial risks are assessed by the Finance Committee and investment risks are monitored by the Endowment Committee. In addition, the Home Bursar and domestic staff heads meet regularly to review health and safety issues. Training courses and other forms of career development are available to members of staff to enhance their skills in risk-related areas.

The Governing Body, which has ultimate responsibility for managing any risks faced by the College, has reviewed the processes in place for managing risk and the principal identified risks to which the College and its subsidiaries are exposed, and has concluded that adequate systems are in place to manage these risks. The principal risks and uncertainties faced by the College that have been identified are categorised as follows:

Risk	Measures
Fall in endowment asset value	Monitoring by Endowment Committee (see below)
Increase in USS pension liability	Monitoring by Finance & General Purposes Committee
Breaches in IT security	Monitoring by IT Sub-Committee, IT Fellow and IT Director
Weakness in teaching	Monitoring by Tuition, Research & Graduates Committee and Senior Tutor
Failures in pastoral care	Monitoring by Welfare Committee
Fire and loss of buildings	Monitoring by Buildings Committee

Investment policy, objectives and performance

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

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

To meet these objectives the College's investments as a whole are managed on a total return basis, maintaining diversification across a range of asset classes in order to produce an appropriate balance between risk and return. In line with this approach, the College statutes allow the College to invest permanent endowments to maximise the related total return and to make available for expenditure each year an appropriate proportion of the unapplied total return.

The investment policy and strategy are set by the Governing Body as advised by the Endowment Committee, and performance is regularly monitored by the Endowment Committee. Appropriate benchmarks are set for the fund-managers and their performance measured against them.

At year-end the College's long-term investments, combining the securities and property investments, totalled £257.5m. Valuation gains were negligible in the year, at £0.3m (2018: £19.3m). A £2.9m gain from College's rural property was largely countered by a £2.7m loss from managed investments. The overall investment total return was 1.5% over the year.

The carrying value of the preserved permanent capital and the amount of any unapplied total return available for expenditure was taken as the open market values of these funds as at 1 August 2002 together with the original gift value of all subsequent endowment received.

Under the total return accounting basis it is the Governing Body's policy to extract as income 3.25% of the value of the relevant investments, smoothed by taking the year-end values for the current year (before in-year withdrawal) and for the previous four years. The Governing Body will keep the level of income withdrawn under review to balance the needs and interests of current and future beneficiaries of the College's activities.

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Policy on ethical investment

The College has considered the issues involved in underpinning its investment policy with a specifically ethical stance and, in consultation with the Junior and Middle Common Rooms, has started to examine how an effective ethical policy might be implemented. In light of its broad charitable objects, the conclusion has previously been that it would be difficult to isolate any particular sector or company whose activities were specifically antithetical to those of the College without excluding many companies whose activities, taken in the round, are broadly positive for the College's charitable objectives. It is also concluded that any such policy on ethical investment would risk limiting the overall investment return to the College by excluding particular areas of investment but without necessarily advancing the College's charitable objectives.

The Endowment Committee continues to review the investment portfolios and will instruct the managers accordingly if they believe that, despite the broad policy set out above, any specific investment should be excluded on ethical grounds.

FUTURE PLANS

The College's forward planning is agreed and monitored by the Governing Body, on the advice of a series of committees and sub-committees.

Overall, it is based on the premise of continuing to provide a high quality education of undergraduates and graduates, to a very high standard of academic excellence. The Academic Strategy Committee continues to monitor the 'size and shape' of the College, and to ensure that there is a proper appraisal of subject disciplines and the potential for new subjects not currently covered in the College to be introduced.

The College is focused on how to ensure that, within its overall objective for undergraduate students, it can properly seek to recruit students from under-represented demographics, in accordance with both University and Government policy. This has led to a significant increase in the College's Outreach budget and resourcing, resulting in a range of programmes designed to increase both the funnel of relevant applicants, and the number of offers given.

The College has had a long-standing policy in relation to ethical investments. However, in the light of its charitable objectives, exploration with junior members of a practical ethical solution continues, with an aim to bringing any necessary changes to the Governing Body by Hilary Term 2020.

The College is also engaged in a major capital project which will result in the building of two new quadrangles on its Mansfield and Savile Road site, creating a net gain of 70 new bedrooms. This will allow the College to house all its third-year students on site, and will also, therefore, have a benefit in terms of attracting students from lower income groups who might otherwise be deterred by the idea of living out.

The Development Director leads an intensive fundraising effort, which is aimed at helping fund this programme, for which planning permission has been granted, as well as funding an increasing number of Tutorial Fellowships, undergraduate and graduate scholarships, and student financial aid.

These strategies are all deployed in the context of understanding and reacting to the macro-economic conditions, and ongoing changes in the Government funding of higher education. The College is confident that its plans represent a balance between taking account of the various risks while sensibly securing its future competitively.

STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES

The Governing Body is responsible for preparing the Report of the Governing Body and the Financial Statements in accordance with applicable law and regulations.

Charity law requires the Governing Body to prepare Financial Statements for each financial year. Under that law the Governing Body have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102: The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102).

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Report of the Governing Body

Year ended 31 July 2019

Under charity law the Governing Body must not approve the Financial Statements unless satisfied that they give a true and fair view of the state of affairs of the College and of its net income or expenditure for that period. In preparing these Financial Statements, the Governing Body is required to:

- select the most suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the College will continue to operate.

The Governing Body is responsible for keeping proper accounting records that are sufficient to show and explain the College's transactions and disclose with reasonable accuracy at any time the financial position of the College, and enable it to ensure that the Financial Statements comply with the Charities Act 2011. The Governing Body is 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 4 December 2019 and signed on its behalf by:

Peter Miles Young
Warden/ Trustee

David Palfreyman
Bursar/ Trustee

NEW COLLEGE

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

Opinion

We have audited the financial statements of New College (the "Charity") for the year ended 31 July 2019 which comprise the Statement of Accounting Policies, the Consolidated Statement of Financial Activities, the Consolidated and College Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and charity's affairs as at 31 July 2019 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

NEW COLLEGE

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

Matters on which we are required to report by exception

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

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

Responsibilities of the Members of the Governing Body

As explained more fully in the Statement of Accounting and Reporting Responsibilities [set out on page 11], the Members of the Governing Body are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the College's Governing Body, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Members of the Governing Body those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College's Governing Body as a body, for our audit work, for this report, or for the opinions we have formed.

Critchleys Audit LLP

Statutory Auditor
Oxford

5 December 2019

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

NEW COLLEGE

Statement of Accounting Policies

Year ended 31 July 2019

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 of the College and its wholly owned subsidiary, Longwall II Limited. Longwall II Limited has been consolidated from the date of its formation by the College, which owns 100% of the share capital. College also owns 100% of the share capital in Longwall Limited, which remains dormant. 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 each of its material subsidiaries for the reporting year are in note 12.

2. Basis of accounting

The College's Financial Statements have been prepared in accordance with United Kingdom Accounting Standards, in particular 'FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102).

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

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

3. Accounting judgements and estimation uncertainty

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

- Before legacies are recognised in the financial statements, the Governing Body has to exercise judgement as to what constitutes sufficient evidence of entitlement to the bequest. Sufficient entitlement exists once notification of payment has been received from the executor(s) of the estate or estate accounts are available which indicate there are sufficient funds in the estate after meeting liabilities for the bequest to be paid.
- The College and its subsidiaries carry investment property at fair value in the balance sheet, with changes in fair value being recognised in the income and expenditure section of the SOFA. Independent valuations are obtained to determine fair value at the balance sheet date.
- FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents an industry-wide scheme such as Universities Superannuation Scheme or one for employers in the same locality such as the University of Oxford Staff Pension Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in profit or loss in accordance with section 28 of FRS 102. The Governing Body is satisfied that Universities Superannuation Scheme and the University of Oxford Staff Pension Scheme both meet the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the recovery plans in existence at the date of approving the financial statements.

NEW COLLEGE
Statement of Accounting Policies
Year ended 31 July 2019

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

4. Income recognition

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

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

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

b. Income from donations, grants, and legacies

Donations and grants that do not impose specific future performance-related or other specific conditions are recognised on the date on which the charity has entitlement to the resource, the amount can be reliably measured and the economic benefit to the College of the donation or grant is probable. Donations and grants subject to performance-related conditions are recognised as and when those conditions are met. Donations and grants subject to other specific conditions are recognised as those conditions are met or their fulfilment is wholly within the control of the College and it is probable that the specified conditions will be met.

Legacies are recognised following grant of probate and once the College has received sufficient information from the executor(s) of the deceased's estate to be satisfied that the gift can be reliably measured and that the economic benefit to the College is probable.

Donations, grants and legacies accruing for the general purpose of the College are credited to unrestricted funds.

Donations, grants and legacies which are subject to conditions as to their use imposed by the donor or set by the terms of an appeal are credited to the relevant restricted fund or, where the donation, grant or legacy is required to be held as capital, to the endowment funds. Where donations are received in kind (as distinct from cash or other monetary assets), they are measured at the fair value of those assets at the date of the gift.

c. Investment income

Interest on bank balances is accounted for on an accrual basis with interest recognised in the period to which the interest relates.

Income from fixed interest debt securities is recognised using the effective interest rate method.

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

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

5. Expenditure

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

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

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

Support costs which includes governance costs (costs of complying with constitutional and statutory requirements) and other indirect costs are apportioned to expenditure categories in the SOFA based on the estimated amount attributable to that activity in the year, either by reference to staff time or the use

NEW COLLEGE
Statement of Accounting Policies
Year ended 31 July 2019

made of the underlying assets, as appropriate. Irrecoverable VAT is included with the item of expenditure to which it relates.

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

6. Leases

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

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

7. Tangible fixed assets

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

Expenditure on the acquisition, construction or enhancement of land and on the acquisition, construction and enhancement of buildings which is directly attributable to bringing the asset to its working condition for its intended use, together with expenditure on equipment, is capitalised, subject to a minimum cost as follows:

Land and building acquisition	no minimum cost
New building construction and improvements	£50,000
Plant & machinery	£20,000
Other fixtures, fittings, and equipment	£10,000

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

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

8. Depreciation

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

Freehold properties, including major extensions	50 years (up to 100 years for new buildings)
Building improvements	30 years
Plant and machinery	10 years
Other equipment	4 - 10 years

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

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

9. Heritage Assets

The College has chosen to hold heritage assets at cost. The college has a number of assets, including items of art and historic texts that meet the definition of heritage assets under the SORP. The depreciated historic cost of the majority of these items is nil. Items purchased are recognised at cost and items donated to the College are recognised at fair value. The college has taken advantage of the exemption within FRS 102 not to disclose transactions before 1 January 2015 as obtaining fair values for these assets would be impracticable and the cost of obtaining such valuations would outweigh the benefits to the users of these financial statements.

10. Investments

Investment properties are initially recognised at their cost and subsequently measured at their fair value (market value) at each reporting date. Purchases and sales of investment properties are recognised on exchange of contracts.

Listed investments are initially measured at their cost and subsequently measured at their fair value at each reporting date. Fair value is based on their quoted price at the balance sheet date without deduction of the estimated future selling costs. Investments such as hedge funds and private equity funds which have no readily identifiable market value are initially measured at their costs and subsequently measured at their fair value at each reporting date without deduction of the estimated future selling costs. Fair value is based on the most recent valuations available from their respective fund managers.

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

Changes in fair value and gains and losses arising on the disposal of investments are credited or charged to the income or expenditure section of the SOFA as 'gains or losses on investments' and are allocated to the Fund holding or disposing of the relevant investment.

11. Other financial instruments

a. Derivatives

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

b. Cash and cash equivalents

Cash and cash equivalents include cash at banks and in hand and short term deposits with a maturity date of three months or less.

c. Debtors and creditors

Debtors and creditors receivable or payable within one year of the reporting date are carried at their at transaction price. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payment discounted at a market rate of interest.

NEW COLLEGE

Statement of Accounting Policies

Year ended 31 July 2019

12. 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.

13. Foreign currencies

Transactions denominated in foreign currencies during the year are translated into pounds sterling using the spot exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates applying at the reporting date.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the exchange rates at the reporting date are recognised in the income and expenditure section of the SOFA.

14. Total Return investment accounting

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

15. Fund accounting

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

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

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

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

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

NEW COLLEGE

Statement of Accounting Policies

Year ended 31 July 2019

16. Pension costs

The College participates in Universities Superannuation Scheme and the University of Oxford Staff Pension Scheme. These schemes are hybrid pension schemes, providing defined benefits (for members), as well as defined contribution benefits. The assets of the schemes are each held in a separate trustee-administered fund. Because of the mutual nature of the schemes, the assets 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 scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the College therefore accounts for the schemes as if they were wholly defined contribution schemes. As a result, the amount charged to the SOFA represents the contributions payable to each scheme. Since the College has entered into agreements (the Recovery Plans) that determine how each employer within the schemes will fund the overall deficit, the college recognises a liability for the contributions payable that arise from the agreements (to the extent that they relate to the deficit) and therefore an expense is recognised.

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

NEW COLLEGE
Consolidated Statement of Financial Activities
For the year ended 31 July 2019

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2019 Total £'000	2018 Total £'000
INCOME AND ENDOWMENTS FROM:						
Charitable activities:						
	1					
Teaching, research and residential		7,027	-	-	7,027	7,064
Public worship and Choir School		2,337	-	-	2,337	2,253
Donations and legacies	2	805	2,638	73	3,516	5,330
Other Trading Income	3	214	-	-	214	471
Investments						
Investment income	4	13	1	4,292	4,306	3,603
Total return allocated to income	14	6,758	1,012	(7,770)	-	-
Total income		17,154	3,651	(3,405)	17,400	18,721
EXPENDITURE ON:						
Charitable activities:						
	5 to 8					
Teaching, research and residential		15,084	1,221	-	16,305	13,552
Public worship and Choir School		2,568	14	-	2,582	2,421
Generating funds:						
Fundraising		550	-	-	550	512
Trading expenditure		24	-	-	24	30
Investment management costs		48	-	618	666	626
Total Expenditure		18,274	1,235	618	20,127	17,141
Net Income/(Expenditure) before gains		(1,120)	2,416	(4,023)	(2,727)	1,580
Net gains/(losses) on investments	11, 12	-	-	258	258	19,263
Net Income/(Expenditure)		(1,120)	2,416	(3,765)	(2,469)	20,843
Transfers between funds	17	2,125	(2,339)	214	-	-
Net movement in funds for the year		1,005	77	(3,551)	(2,469)	20,843
Fund balances brought forward	17	45,299	2,432	260,075	307,806	286,963
Funds carried forward at 31 July		46,304	2,509	256,524	305,337	307,806

NEW COLLEGE
Consolidated and College Balance Sheets
As at 31 July 2019

	Notes	2019 Group £'000	2018 Group £'000	2019 College £'000	2018 College £'000
FIXED ASSETS					
Tangible assets	9	47,557	44,698	47,557	44,698
Property investments	11	55,234	53,667	55,234	53,667
Other Investments	12, 13	202,278	207,253	202,278	207,253
Total Fixed Assets		305,069	305,618	305,069	305,618
CURRENT ASSETS					
Stocks		445	430	445	430
Debtors	15	2,319	4,117	2,629	4,117
Investments		85	100	85	100
Cash at bank and in hand		3,684	1,889	3,356	1,889
Total Current Assets		6,533	6,536	6,515	6,536
LIABILITIES					
Creditors: Amounts falling due within one year	16	2,662	2,628	2,679	2,628
NET CURRENT ASSETS		3,871	3,908	3,836	3,908
TOTAL ASSETS LESS CURRENT LIABILITIES		308,940	309,526	308,905	309,526
Defined benefit pension scheme liability	21	3,603	1,720	3,603	1,720
TOTAL NET ASSETS		305,337	307,806	305,302	307,806
FUNDS OF THE COLLEGE					
Endowment funds	17, 18	256,524	260,075	256,524	260,075
Restricted funds		2,509	2,432	2,509	2,432
Unrestricted funds					
Designated funds		48,342	45,217	48,342	45,217
General funds		1,565	1,802	1,530	1,802
Pension reserve	21	(3,603)	(1,720)	(3,603)	(1,720)
		305,337	307,806	305,302	307,806

The financial statements were approved and authorised for issue by the Governing Body of New College on 4 December 2019.

Warden/ Trustee:

Bursar/ Trustee:

NEW COLLEGE
Consolidated Statement of Cash Flows
For the year ended 31 July 2019

	Notes	2019 £'000	2018 £'000
Net cash used in operating activities	23	<u>(1,757)</u>	<u>(5,932)</u>
Cash flows from investing activities			
Dividends, interest and rents from investments		4,306	3,603
Proceeds from the sale of property, plant and equipment		4	10
Purchase of property, plant and equipment		(4,511)	(10,367)
Proceeds from sale of investments		27,141	28,522
Purchase of investments		(23,476)	(25,723)
Net cash provided by investing activities		<u>3,464</u>	<u>(3,955)</u>
Cash flows from financing activities			
Receipt of endowment		73	1,757
Net cash provided by (used in) financing activities		<u>73</u>	<u>1,757</u>
Change in cash and cash equivalents in the reporting period		<u>1,780</u>	<u>(8,130)</u>
Cash and cash equivalents at the beginning of the reporting period		1,989	10,119
Cash and cash equivalents at the end of the reporting period	24	<u>3,769</u>	<u>1,989</u>

NEW COLLEGE
Notes to the financial statements
For the year ended 31 July 2019

1 INCOME FROM CHARITABLE ACTIVITIES

	2019	2018
	£'000	£'000
Teaching, Research and Residential		
Unrestricted funds		
Tuition fees - UK and EU students	1,931	1,907
Tuition fees - Overseas students	705	657
Other fees	351	442
Other academic support/grants	275	311
Other academic income	120	160
College residential income	3,645	3,587
	<u>7,027</u>	<u>7,064</u>
Total Teaching, Research and Residential	<u>7,027</u>	<u>7,064</u>
Public worship, Choir and Choir School		
Unrestricted funds		
Choir school fees	2,281	2,217
Other	56	36
	<u>2,337</u>	<u>2,253</u>
Total public worship, Choir and Choir School	<u>2,337</u>	<u>2,253</u>
Total income from charitable activities	<u>9,364</u>	<u>9,317</u>

The above analysis includes £2069k received from Oxford University from publicly accountable funds under the CFF Scheme (2018: £2,067k).

2 DONATIONS AND LEGACIES

	2019	2018
	£'000	£'000
Donations and Legacies		
Unrestricted funds	805	959
Restricted funds	2,638	2,614
Endowed funds	73	1,757
	<u>3,516</u>	<u>5,330</u>

3 INCOME FROM OTHER TRADING ACTIVITIES

	2019	2018
	£'000	£'000
Entrance and facility fees	210	466
Other trading income	4	5
	<u>214</u>	<u>471</u>

4 INVESTMENT INCOME

	2019	2018
	£'000	£'000
Unrestricted funds		
Bank interest	13	-
	<u>13</u>	<u>-</u>
Restricted funds		
Bank interest	1	1
	<u>1</u>	<u>1</u>
Endowed funds		
Agricultural rent	617	623
Commercial rent	348	360
Other property income	177	198
Equity dividends	3,089	2,335
Income from fixed interest stocks	28	71
Interest on fixed term deposits and cash	33	15
	<u>4,292</u>	<u>3,602</u>
Total Investment income	<u>4,306</u>	<u>3,603</u>

NEW COLLEGE
Notes to the financial statements
For the year ended 31 July 2019

5 ANALYSIS OF EXPENDITURE

	2019	2018
	£'000	£'000
Charitable expenditure		
Direct staff costs allocated to:		
Teaching, research and residential	6,969	6,554
Public worship & Choir School	1,617	1,463
Other direct costs allocated to:		
Teaching, research and residential	4,703	4,786
Public worship & Choir School	635	629
Support and governance costs allocated to:		
Teaching, research and residential	4,633	2,212
Public worship & Choir School	330	329
Choir School		
Heritage	-	-
Total charitable expenditure	<u>18,887</u>	<u>15,973</u>
Expenditure on raising funds		
Direct staff costs allocated to:		
Fundraising	338	324
Trading expenditure	15	18
Other direct costs allocated to:		
Fundraising	166	162
Trading expenditure	5	11
Investment management costs	88	100
Support and governance costs allocated to:		
Fundraising	46	26
Trading expenditure	4	1
Investment management costs	578	526
Total expenditure on generating funds	<u>1,240</u>	<u>1,168</u>
Total expenditure	<u>20,127</u>	<u>17,141</u>

The 2018 resources expended of £17,141k represented £15,403k from unrestricted funds, £1,140k from restricted funds and £598k from endowed funds.

The College is liable to be assessed for Contribution under the provisions of Statute XV of the University of Oxford. The Contribution Fund is used to make grants and loans to colleges on the basis of need. Contributions were calculated annually under the latest Scheme for a fixed ten year period, the final provision being in the 2017-18 accounts. A new Scheme is introduced, effective from 2018-19 in accordance with regulations made by the Council of the University of Oxford.

The teaching and research costs include College Contribution payable of £192k (2018: £6k).

	2019	2018
	Total	Total
	£'000	£'000
Included within the resources expended above are:		
Stock recognised as an expense in the year	903	859
Operating lease payments	24	18

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Notes to the financial statements
For the year ended 31 July 2019

6 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

2019	Generating Funds	Teaching & Research	Public Worship and Choir School	2019 Total
	£'000	£'000	£'000	£'000
Financial administration	61	649	178	888
Domestic administration	-	252	-	252
Investment management	521	-	-	521
Human resources	-	34	-	34
IT	-	340	-	340
Depreciation	6	1,458	156	1,620
Loss/(surplus) on fixed assets	-	32	(3)	29
Other finance charges	36	1,847	-	1,883
Governance costs	4	21	(1)	24
	628	4,633	330	5,591

2018	Generating Funds	Teaching & Research	Public Worship and Choir School	2018 Total
	£'000	£'000	£'000	£'000
Financial administration	57	596	170	823
Domestic administration	-	235	-	235
Investment management	490	-	-	490
Human resources	-	39	-	39
IT	-	350	-	350
Depreciation	6	1,045	157	1,208
Loss/(profit) on fixed assets	-	3	-	3
Other finance charges	(2)	(71)	-	(73)
Governance costs	2	15	2	19
	553	2,212	329	3,094

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.

	2019 £'000	2018 £'000
Governance costs comprise:		
Auditor's remuneration - audit services	24	19
	24	19

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

7 GRANTS AND AWARDS

2019
£'000

2018
£'000

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

Unrestricted funds

Grants to individuals:

Scholarships, prizes and grants

310 235

Bursaries and hardship awards

51 97

Total unrestricted

361 332

Restricted funds

Grants to individuals:

Scholarships, prizes and grants

326 398

Bursaries and hardship awards

86 60

Total restricted

412 458

Total grants and awards

773 790

The Bursaries and hardship awards above include the cost to the College of the Oxford Bursary scheme. Students of this college received £148k (2018: £175k). Some of those students also received University fee waivers amounting to £1k (2018: £8k).

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

NEW COLLEGE
Notes to the financial statements
For the year ended 31 July 2019

8 STAFF COSTS

The aggregate staff costs for the year were as follows.	2019	2018
	£'000	£'000
Salaries and wages	8,225	7,687
Social security costs	696	656
Pension costs:		
Defined benefit schemes	1,198	1,151
Pension deficit recovery plan adjustments (note 21)	1,839	(119)
	11,958	9,375

Pension costs are stated to exclude deficit-related finance costs.

The average number of employees of the College, including occasional staff and excluding Trustees, was as follows:

	2019	2018
Tuition and research	119	95
College residential	161	152
Public worship and Choir School	93	84
Fundraising	4	4
Support	15	15
Total	392	350

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

University Lecturers	19	19
CUF Lecturers	17	16
Other teaching and research	20	19
Other	7	8
Total	63	62

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 is 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:

£60,001-£70,000	4	2
£70,001-£80,001	1	-
£90,001-£100,001	1	1

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

In defined benefits schemes	6	3
In defined contribution schemes	-	-

The College contributions to pension schemes were:

to defined benefit schemes	£71,055	£38,252
to defined contribution schemes	-	-

9 TANGIBLE FIXED ASSETS
Group & College

	Freehold land and buildings £'000	Plant and machinery £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost				
At start of year	56,215	404	1,374	57,993
Additions	4,379	-	132	4,511
Disposals	(29)	(49)	(31)	(109)
At end of year	60,565	355	1,475	62,395
Depreciation and impairment				
At start of year	12,318	358	619	13,295
Depreciation charge for the year	1,477	9	134	1,620
Depreciation on disposals	(13)	(49)	(15)	(77)
At end of year	13,782	318	738	14,838
Net book value				
At end of year	46,783	37	737	47,557
At start of year	43,897	46	755	44,698

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

NEW COLLEGE

Notes to the financial statements

For the year ended 31 July 2019

10 HERITAGE ASSETS

The College's collection of medieval manuscript volumes and early printed books, as well as chattels and works of art was, started by William of Wykeham at its foundation in 1379. This collection has been supplemented by a steady (and continuing) stream of donated assets over the centuries, and by acquisition, with approximately 400 manuscript volumes and over 30,000 antiquarian books available to view by appointment, and a number of works of art on display around the College. These donated assets were given on the understanding that the College would preserve them and make them accessible to scholars and, where not constraining scholars' access to them, to the public. These heritage assets are held at cost, which in the Trustees' opinion is now immaterial. The Trustees consider the cost to obtain a valuation of these assets would not be commensurate with the benefit to the readers of the financial statements. Many of the works of art are on display in Hall, Chapel, and Ante-Chapel, which are open to members of the public on most days. Ancient manuscripts and books may be viewed by appointment.

11 PROPERTY INVESTMENTS

	Agricultural £'000	Commercial £'000	Other £'000	2019 Total £'000	2018 Total £'000
Group & College					
Valuation at start of year	44,360	6,002	3,305	53,667	52,219
Additions and improvements at cost	430	-	13	443	5
Disposals	(1,796)	-	-	(1,796)	(3,348)
Revaluation gains/(losses) in the year	2,964	-	(44)	2,920	4,791
Valuation at end of year	45,958	6,002	3,274	55,234	53,667

Agricultural properties includes residential and commercial properties in the College's rural estates. Valuation of the agricultural properties was prepared by Savillis (UK) Ltd as at 31 July 2019. Commercial property includes a central London site, which was valued at £6m in 2008 by Colliers International. Other property includes College houses, which are revalued annually by reference to the Nationwide Building Society house price index (Outer S-East UK region).

12 OTHER INVESTMENTS

All investments are held at fair value.

	2019 £'000	2018 £'000
12a: Fixed Asset investments		
Investments		
Valuation at start of year	207,253	192,235
Investments transferred from New College Development Fund	-	2
New money invested	23,033	25,718
Amounts withdrawn	(22,606)	(23,034)
Reinvested income	(2,661)	(2,063)
Investment management fees	(79)	(73)
(Decrease)/increase in value of investments	(2,662)	14,468
Group investments at end of year	202,278	207,253
Investment in subsidiaries	-	-
Investments at end of year	202,278	207,253

Investments comprise:	2019		Total	2018		Total
	Held outside the UK £'000	Held in the UK £'000		Held outside the UK £'000	Held in the UK £'000	
Equity investments	12,458	84,060	96,518	12,669	79,929	92,598
Global multi-asset funds	63,645	-	63,645	71,566	-	71,566
Fixed interest stocks	8,456	5,834	14,290	5,741	11,022	16,763
Alternative and other investments	3,932	6,874	10,806	3,454	7,139	10,593
Fixed term deposits and cash	-	17,019	17,019	-	15,733	15,733
Total investments	88,491	113,787	202,278	93,430	113,823	207,253

	2019 £'000	2018 £'000
12b: Current Asset Investments		
Valuation at start of year	-	-
Amounts withdrawn	-	(4)
Increase in value of investments	-	4
Investments at end of year	-	-

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Notes to the financial statements

For the year ended 31 July 2019

13 PARENT AND SUBSIDIARY UNDERTAKINGS

The College holds 100% of the issued share capital (£2) in Longwall Limited, which was dormant during the year, and 100% (£100) of the issued share capital in Longwall II Limited, which was incorporated on 16 October 2018. Longwall II's principal activity is the design and build of the College's new Gradel quadrangles.

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

	New College £'000	Longwall II £'000
Income	17,415	7,967
Expenditure	(19,919)	(7,932)
Donation to College under gift aid	-	-
Result for the year	<u>(2,504)</u>	<u>35</u>
Total assets	311,584	682
Total liabilities	(6,282)	(682)
Net funds at the end of year	<u>305,302</u>	<u>-</u>

14 STATEMENT OF INVESTMENT TOTAL RETURN

The Trustees have adopted a duly authorised policy of total return accounting for the College investment returns with effect from 1 August 2002. The investment return to be applied as income is calculated as in a range from 3% to 4% of the average of the year-end values of the relevant investments in each of the last 5 years. The preserved (frozen) value of the invested endowment capital represents its open market value in 2002 together with all subsequent endowments valued at date of gift.

	Permanent Endowment			Expendable Endowment	Total Endowments
	Trust for investment £'000	Unapplied total return £'000	Total £'000	£'000	£'000
At the beginning of the year:					
Gift component of the permanent endowment	76,601		76,601		76,601
Unapplied total return		167,630	167,630		167,630
Expendable endowment				15,844	15,844
Total Endowments	76,601	167,630	244,231	15,844	260,075
Movements in the reporting period:					
Gift of endowment funds	72	-	72	1	73
Investment return: total investment income	-	4,032	4,032	260	4,292
Investment return: realised and unrealised gains and losses	-	475	475	(217)	258
Less: Investment management costs	-	(589)	(589)	(29)	(618)
Other transfers	-	214	214	-	214
Total	72	4,132	4,204	15	4,219
Unapplied total return allocated to income in the reporting period	-	(7,286)	(7,286)	(484)	(7,770)
Net movements in reporting period	72	(3,154)	(3,082)	(469)	(3,551)
At end of the reporting period:					
Gift component of the permanent endowment	76,673	-	76,673	-	76,673
Unapplied total return	-	164,476	164,476	-	164,476
Expendable endowment	-	-	-	15,375	15,375
Total Endowments	76,673	164,476	241,149	15,375	256,524

15 DEBTORS

	2019 Group £'000	2018 Group £'000	2019 College £'000	2018 College £'000
Amounts falling due within one year:				
Trade debtors	353	657	353	657
Amounts owed by College members	193	215	193	215
Amounts owed by Group undertakings	-	-	379	-
Loans repayable within one year	14	17	14	17
Prepayments and accrued income	1,476	2,882	1,407	2,882
Other debtors	274	331	274	331
Amounts falling due after more than one year:				
Loans	9	15	9	15
	<u>2,319</u>	<u>4,117</u>	<u>2,629</u>	<u>4,117</u>

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16 CREDITORS: falling due within one year

	2019	2018	2019	2018
	Group	Group	College	College
	£'000	£'000	£'000	£'000
Trade creditors	553	410	415	410
Taxation and social security	55	-	218	-
College contribution	192	-	192	-
Accruals and deferred income	929	1,247	921	1,247
Other creditors	933	971	933	971
	2,662	2,628	2,679	2,628

17 ANALYSIS OF MOVEMENTS ON FUNDS

Movements in major funds are detailed below. Movements in smaller funds are aggregated by purpose or as 'Other' in each section.

	At 1 August 2018 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2019 £'000
Endowment Funds - Permanent						
General purpose:						
Founder's Endowment	214,765	3,561	(534)	(6,199)	877	212,470
Other unrestricted named endowments	1,023	17	(2)	(32)	(14)	992
Restricted purpose:						
Bolney Brown Benefaction	1,092	18	(2)	(33)	(15)	1,060
Ella Stevens Greek Studies Fund	1,320	21	(2)	(40)	(18)	1,281
Student scholarship & prize funds	4,583	76	(9)	(141)	(63)	4,446
Philosophy Fellowship	1,775	30	(3)	(29)	(24)	1,749
Other restricted named endowments	1,273	23	(3)	(40)	(17)	1,236
ex-New College Development Fund:						
Classical Philopsophy Fellowship Fund	1,346	22	(2)	(41)	(18)	1,307
Engineering Fellowship Fund	1,213	20	(2)	(37)	(17)	1,177
Graduate Scholarships Fund	1,562	25	(3)	(48)	(21)	1,515
Ancient History Fellowship Fund	1,528	29	(3)	(47)	(21)	1,486
McGregor Law Fellowship Fund	1,131	23	(2)	(35)	(15)	1,102
Millman Management Studies Fellowship Fund	1,862	30	(3)	(57)	(25)	1,807
Millman Management Studies Graduate Studentship	1,010	16	(2)	(31)	(14)	979
Herbert Nicholas Fund	1,195	19	(2)	(37)	(16)	1,159
Student Bursaries Fund	1,317	37	(2)	(38)	(18)	1,296
Other ex-New College Development Fund	6,236	137	(13)	(187)	(86)	6,087
Endowment Funds - Expendable						
General purpose:						
College Endowment	6,339	103	(12)	(195)	(86)	6,149
Other unrestricted named endowments	1,225	19	(2)	(37)	(18)	1,187
ex-New College Development Fund	2,703	44	(5)	(81)	(37)	2,624
Restricted purpose:						
Other restricted named endowments	738	12	(1)	(23)	(10)	716
ex-New College Development Fund	4,839	83	(9)	(148)	(66)	4,699
Total Endowment Funds - College and Group	260,075	4,365	(618)	(7,556)	258	256,524
Restricted Funds						
Restricted purpose endowments - unspent income	796	-	(895)	1,012	-	913
Music Practice Rooms	-	27	-	(27)	-	-
New Quadrangles	261	2,051	-	(2,312)	-	-
Other restricted funds	276	142	(100)	-	-	318
ex-New College Development Fund	1,099	419	(240)	-	-	1,278
Total Restricted Funds - College and Group	2,432	2,639	(1,235)	(1,327)	-	2,509

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17 ANALYSIS OF MOVEMENTS ON FUNDS (continued)

	At 1 August 2018 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2019 £'000
Unrestricted Funds						
Designated funds: fixed assets - donated	15,177	-	-	2,111	-	17,288
Designated funds: fixed assets - general	26,029	-	-	747	-	26,776
Designated funds: major maintenance reserve	3,064	-	-	273	-	3,337
Other designated funds	61	-	-	(22)	-	39
General Fund	1,240	9,618	(16,441)	6,857	-	1,274
ex-New College Development Fund - designated funds	886	237	-	(221)	-	902
ex-New College Development Fund - General Fund	562	556	-	(862)	-	256
Pension reserve (deficit)	(1,720)	-	(1,883)	-	-	(3,603)
Total Unrestricted Funds - College	45,299	10,411	(18,324)	8,883	-	46,269
Unrestricted funds held by subsidiaries	-	(15)	50	-	-	35
Total Unrestricted Funds - Group	45,299	10,396	(18,274)	8,883	-	46,304
Total Funds	307,806	17,400	(20,127)	-	258	305,337

Under the provisions of s30 University and College Estates Act 1925 (amended 1964), and in accordance with the policy of the Charity Commission under s26(4) Charities Act 2011, College has 'borrowed' some £22.4m from its permanent endowment capital for the repair, improvement and modernisation of its functional buildings. That sum is being repaid via a sinking or redemption fund at 3.5% over 40 years in accordance with s32 of the 1925 (1964) Act.

18 FUNDS OF THE COLLEGE DETAILS

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

Endowment Funds - Permanent:

Founder's Endowment William of Wykeham endowment to establish New College in Oxford, where income can be used for the general purposes of the charity

Other unrestricted named endowments A consolidation of gifts and donations where income, but not capital, can be used for the general purposes of the charity

Restricted purpose endowments Capital balance of past donations where related income, but not the original capital, can be used for the following purposes of the charity:

- Bolney Brown Benefaction
 - Ella Stevens Greek Studies Fund
 - Named scholarship funds
 - Other named funds
- Chapel support
 - Ancient Greek studies and scholarships
 - student scholarships and prizes
 - a variety of funds providing support for student bursaries/hardship, Library, Choir and choristerships, tutorial fellowships, junior research fellowships, and grants to parishes

Endowment Funds - Expendable:

College Endowment The expendable balance of endowment where either income, or income and capital, can be used for the general purposes of the charity

Other unrestricted named funds Capital balance of past donations where related income, or income and capital, can be used for College's general purposes

Restricted purpose named funds A consolidation of gifts and donations where either income, or income and capital, can be used to support tutorial fellowships, junior research fellowships, student bursaries/hardship, student prizes, and Library

Restricted Funds:

Restricted purpose endowments - income Income generated from restricted purpose endowments not spent and available for future scholarships, tutorial fellowships, junior research fellowships, Choir, chorister, Library, and parish support

Morris Garages refurbishment For the redevelopment of Morris Garages/18-20 Longwall

Music Practice Rooms For the construction of music rooms for student practice

New Quad For the construction of a new quad at Savile Road

ex-New College Development Fund Donations to support College expenditure on student scholarships/bursaries and prizes, student outreach, research fellowships, choir, and equipment/chattels

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18 FUNDS OF THE COLLEGE DETAILS (continued)

Designated Funds

Fixed asset designated funds	Unrestricted funds which are represented by the fixed assets of the College and therefore not available for expenditure on the College's general purposes
Major maintenance & projects	Unrestricted funds allocated by the Fellows for future spend on the College's buildings
ex-New College Development Fund designated funds	Donations received where the College intends to observe wishes expressed by the donors
General Fund	The accumulated income from the College's activities and other sources that are available for the general purposes of the College
ex-New College Development Fund - General Fund	The accumulated unrestricted and undesignated donations received, available for the College's general purposes
Pension reserve (deficit)	Unrestricted funds, in accordance with FRS 102, representing defined benefit pension scheme deficits

19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

2019	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2019 Total £'000
Tangible fixed assets	47,557	-	-	47,557
Property investments	-	-	55,234	55,234
Other investments	49	913	201,316	202,278
Net current assets	2,301	1,596	(26)	3,871
Pension scheme liability	(3,603)	-	-	(3,603)
	46,304	2,509	256,524	305,337
2018	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2018 Total £'000
Tangible fixed assets	44,698	-	-	44,698
Property investments	-	-	53,667	53,667
Other investments	49	796	206,408	207,253
Net current assets	2,272	1,636	-	3,908
Pension scheme liability	(1,720)	-	-	(1,720)
	45,299	2,432	260,075	307,806

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Notes to the financial statements

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20 TRUSTEES' REMUNERATION

Those 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 College and the University for the academic services they provide to the College.

Most trustees of the College fall into the following categories:

- Warden
- Tutorial Fellow
- Professorial Fellow
- Supernumerary Fellow
- Career Development Fellow

There are four other trustees, three of whom (Bursar, Director of Development, and Home Bursar) work full-time on management and fund-raising, and the fourth is College's Chaplain.

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.

Some trustees are eligible for College housing schemes. One trustee lives in a house owned by the College and has a deduction from salary as 'rent'. Others may be eligible for a housing allowance which is disclosed within the following salary figures. During the year, seven trustees lived in houses owned jointly with the College (2018: seven). No houses were bought in the year (2018: none) and none were sold (2018: none).

Some trustees receive additional allowances for additional work carried out as part-time college officers (eg, Senior Tutor, Dean, Precentor, Sub-Warden). These amounts are included within the remuneration figures in the following table. The total remuneration and taxable benefits as shown below is £2,743k (2018: £2,651k). The total of pension contributions is £383k (2018: £381k).

The College Governing Body refers to a Remuneration Committee all aspects of the pay and allowances for the Warden and Fellows - this Remuneration Committee has a membership that is completely external to that of the Governing Body.

Remuneration paid to trustees

Range	2019		2018	
	Number of Trustees/Fellows	Gross remuneration, taxable benefits and pension contributions £	Number of Trustees/Fellows	Gross remuneration, taxable benefits and pension contributions £
£1-£4,999	14	48,151	15	52,480
£5,000-£9,999	3	17,569		-
£10,000-£14,999		-	1	13,451
£15,000-£19,999	2	34,182	2	36,850
£20,000-£24,999	2	44,546	1	20,660
£25,000-£29,999	1	29,471		-
£35,000-£39,999	2	76,076	5	194,134
£40,000-£44,999	12	500,849	12	500,101
£45,000-£49,999	4	186,997	2	93,330
£50,000-£54,999	1	52,492	3	104,362
£55,000-£59,999	2	114,843	3	169,708
£60,000-£64,999	3	189,391	3	189,975
£65,000-£69,999	3	203,931	3	200,871
£70,000-£74,999	4	293,749	4	291,041
£75,000-£79,999	3	230,640	3	230,294
£80,000-£84,999	1	83,686		-
£90,000-£94,999	1	91,784		-
£95,000-£99,999	1	95,716	1	98,346
£100,000-£104,999	2	205,758	1	104,540
£105,000-£109,999		-	1	106,715
£115,000-£119,999	1	117,169		-
£120,000-£124,999			2	244,418
£125,000-£129,999	1	125,694		-
Total	63	2,742,694	62	2,651,276

All trustees are employees of the college and receive remuneration.

All trustees, together with other senior employees, are eligible for private health insurance as part of their remuneration package. All trustees may eat at common table, as can all other employees who are entitled to meals while working.

Other transactions with trustees

No trustee claimed expenses for any work performed in discharge of duties as a trustee. See also note 27 - Related Party Transactions.

Key management remuneration

The total remuneration paid for the key management of College was £574k (2018: £585k). Key management is considered to be delivered by the Warden, Bursar, Dean, Head of New College School, Home Bursar, and Senior Tutor.

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21 PENSION SCHEMES

The College participates in the Universities Superannuation Scheme ("the USS"), the University of Oxford Staff Pension Scheme ("the OSPS"), and the Teachers' Pension Scheme (the "TPS") on behalf its staff. USS and OSPS schemes are contributory mixed benefit schemes (i.e. they provide benefits on a defined benefit basis - based on length of service and pensionable salary and on a defined contribution basis – based on contributions into the scheme). TPS is a contributory defined benefit scheme (i.e. it provides benefits based on length of service and pensionable salary). The assets of USS, OSPS, and TPS are each held in separate trustee-administered funds.

Each scheme is a multi-employer scheme and the College is unable to identify its share of the underlying assets and liabilities relating to defined benefits of each scheme on a consistent and reasonable basis. Therefore, in accordance with the accounting standard FRS 102 paragraph 28.11, the College accounts for the schemes as if they were defined contribution schemes. As a result, the amount charged to the Statement of Financial Activities represents the contributions payable to the schemes in respect of the accounting period.

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

Actuarial valuations

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

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

Universities Superannuation Scheme

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

USS's actuary has assumed that the investment return is CPI – 0.53% in year 1, decreasing linearly to CPI – 1.32% over 10 years, CPI + 2.56% from year 11 reducing linearly to CPI + 1.7% by year 21, remaining at CPI + 1.7%. USS's actuary has assumed that general pay growth will be CPI +2 in year 1, CPI + 2% in year 2 and thereafter. It is assumed that CPI is based on the RPI assumption (market derived price inflation of 3.6% p.a. less an inflation risk premium) less RPI/CPI gap of 1.0% p.a.

The total USS employer contributions of 18% of salaries include provisions for the cost of future accrual of defined benefits (DB) (net of member contributions to the DB section), deficit contributions, administrative expenses of 0.4% of salaries and from the implementation of the salary threshold the employer contribution towards defined contribution benefits including employer matching contributions and certain investment management costs relating to the DC section.

NEW COLLEGE

Notes to the financial statements

For the year ended 31 July 2019

21 PENSION SCHEMES (continued)

The 2017 actuarial valuation was the fourth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £60.0 billion and the value of the scheme's technical provisions was £67.5 billion indicating a shortfall of £7.5 billion and a funding ratio of 89%.

Oxford Staff Pension Scheme

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

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

Teachers' Pension Scheme

Members of the Teachers' Pensions Scheme contribute on a 'pay as you go' basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set following scheme valuations undertaken by the Government Actuary Department, and was set at 16.4% following the 2012 scheme valuation. The latest valuation report in respect of the Scheme was prepared at 31 March 2016 and was published in 2019. This report determined the employer contribution rate of 23.68% from 1 September 2019 which will be payable until the next valuation as at 31 March 2020.

Sensitivity of actuarial valuation assumptions

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

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

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

Deficit recovery plans

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

	USS	OSPS
Finish Date for Deficit Recovery Plan	31/6/34	30/06/27
Average staff number increase	0.00%	0.00%
Average staff salary increase	2.00%	2.50%
Average discount rate over period	1.60%	1.25%
Effect of 0.5% change in discount rate:		
+ 0.5%	(£117k)	(£17k)
- 0.5%	£124k	£17k
Effect of 1% change per year in staff growth:		
+ 1%	£256k	£62k
- 1%	(£233k)	(£59k)

A provision of £3,603k has been made at 31 July 2019 (2018: £1,720k) for the present value of the estimated future deficit funding element of the contributions payable under these agreements, using the assumptions shown.

NEW COLLEGE
Notes to the financial statements
For the year ended 31 July 2019

21 PENSION SCHEMES (continued)

Pension charge for the year

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

Scheme	2019 £000	2018 £000
Universities Superannuation Scheme	2,578	615
University of Oxford Staff Pension Scheme	315	271
Teachers' Pension Scheme	151	136
Total	3,044	1,022

22 TAXATION

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

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

	2019 £'000	2018 £'000
Net income/(expenditure)	(2,469)	20,843
Elimination of non-operating cash flows:		
Investment income	(4,306)	(3,603)
Gains in investments	(258)	(19,263)
Endowment donations	(73)	(1,757)
Depreciation	1,620	1,208
Loss on sale of fixed assets	29	3
(Increase)/decrease in stock	(15)	2
Decrease in debtors	1,798	808
Increase/(decrease) in creditors	34	(4,100)
Increase/(decrease) in pension scheme liability	1,883	(73)
Net cash provided by/(used in) operating activities	(1,757)	(5,932)

24 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019 £'000	2018 £'000
Cash at bank and in hand	3,684	1,889
Notice deposits (less than 3 months)	85	100
Total cash and cash equivalents	3,769	1,989

25 FINANCIAL COMMITMENTS

The College has an annual pensions commitment to a number of retired employees whose service predated the introduction of the main occupational schemes (see note 5). These payments, which are subject to annual inflationary increases, currently total £6,000 per annum, and the net present value of future payments is estimated to be of the order of £60,000.

The College had no non-cancellable operating leases during the year (2018: none).

26 CAPITAL COMMITMENTS

The College had no contracted commitments at 31 July for ongoing capital projects (2018: nil).

NEW COLLEGE

Notes to the financial statements

For the year ended 31 July 2019

27 RELATED PARTY TRANSACTIONS

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.

Three trustees had loans from the College during the year (five trustees had loans in 2018). The outstanding balances at 31 July were £4,560 (2018: £10,120). Interest is charged on the loans at HMRC's prevailing Official Rate of Interest, which was 2.5% per annum during the year, and the upper limit for such loans is £5,000. All loans are repayable within five years or on the departure of the trustee from the College, if earlier.

The College has properties owned jointly with trustees under joint equity ownership agreements between the trustee and the College. College's equity is valued at £1,680k.

	2019	2018
	£'000	£'000
Trustee:		
Wathen	373	378
Mulhall	230	233
Leeder	236	226
Kimel	283	288
Timmel	252	256
Halbach	194	197
Churchill	112	114
Total net book value	<u>1,680</u>	<u>1,692</u>

All joint equity properties are subject to sale on the departure of the trustee from the College. The College-owned share is declared as a taxable benefit in kind for each trustee to HMRC each year.

28 CONTINGENT LIABILITIES

There were no contingent liabilities at 31 July 2019.

29 POST BALANCE SHEET EVENTS

As set out in Note 21 in respect of the USS pension scheme, a new Schedule of Contributions based on the 2018 actuarial valuation has been agreed. This results in a decrease of £1,177k in the provision for the Obligation to fund the deficit on the USS pension which would instead be £1,747k. This adjustment will be reflected in the College's Financial Statements for the year ended 31 July 2020.