UNIVERSITY OF OXFORD

FINANCIAL STATEMENTS
2022/23

University of Oxford

Financial Statements 2022/23

www.ox.ac.uk

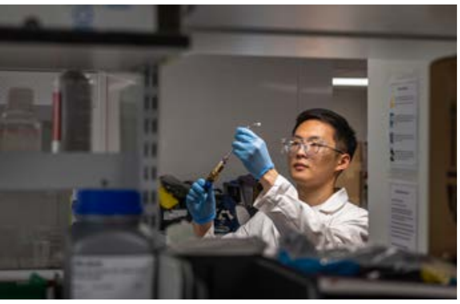
Contents

AT A GLANCE
Strategic and Operational Measures

Education

Measure	% change 2021/22 to 2022/23	Measure	% change 2021/22 to 2022/23
13,320 Postgraduate students	-0.9%	**Gold** rating in Teaching Excellence Framework	-
12,685 Undergraduate students	0.8%	**21.2%** of undergraduates admitted during 2023 UCAS cycle are from the most disadvantaged backgrounds[1].	-1.7%

Research



Measure	% change 2021/22 to 2022/23	Measure	% change 2021/22 to 2022/23
£789.0m Research income	10.9%	**1st** in the *Times Higher Education* World University Rankings (8th time running)	-
£147.2m Research income from industry	25.5%	**7,307** Research-related agreements executed	15.6%

Educational Publishing undertaken by the Press

Measure	% change 2021/22 to 2022/23	Measure	% change 2021/22 to 2022/23
£753.0m Educational publishing income	1.3%	**£87.5m** Operating profit	-25%
230 million Visits to journal articles published by OUP	3.1%	**84** Major publishing awards won	-

Engagement and Partnership

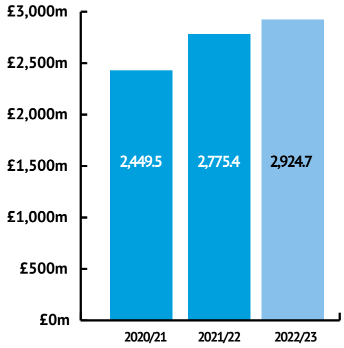
Measure	% change 2021/22 to 2022/23	Measure	% change 2021/22 to 2022/23
More than **1,486** participants in the 8-month UNIQ 2023 programme	n/a	**1,568** Students from low-income backgrounds supported by Crankstart scholarships	17.2%
171 Participants in our Opportunity Oxford bridging programme	-9.5%	**180** Active spinout companies	5.3%

[1] ACORN categories 4 and 5, POLAR4 quintile 1 and Free School Meals.

Financial Measures

Income

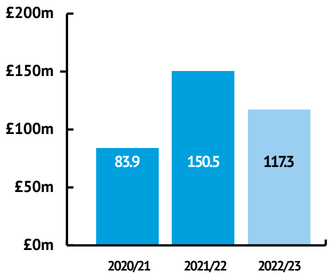
£2,924.7m



Adjusted surplus
before other gains and one-off exceptional items

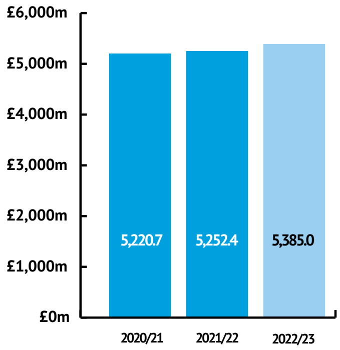
£117.3m

* a detailed calculation of the Adjusted surplus before gains and other one – off exceptional items is shown on page 28



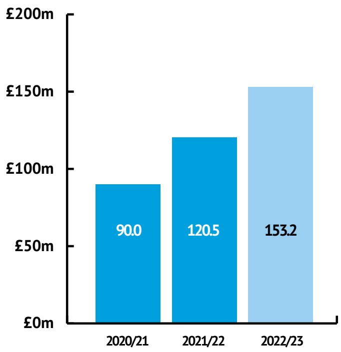
Net Assets

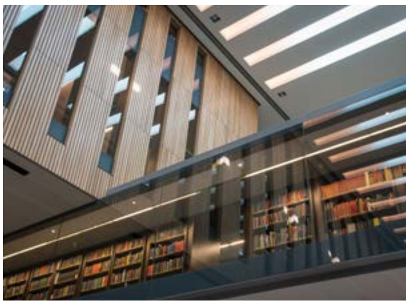
£5,385.0m



Capital expenditure on property, plant and equipment

£153.2m





LETTER FROM THE VICE-CHANCELLOR

"It was my great honour to be admitted as Vice-Chancellor at the University of Oxford in January 2023. This is a place I both love and admire, having been here as an undergraduate, a graduate and then for my career as Professor of Anaesthetic Neuroscience. I have been head of a department in the medical school as well as head of one of our oldest colleges, Merton College. So, it's a place I know really well and an institution that I deeply believe in because I have witnessed, first-hand, the transformational life opportunities it brings to our students through our outstanding teaching and for our staff and the world through our ground-breaking research.

By all metrics Oxford is thriving: we took the top spot in the Times Higher Education 2024 World Rankings for a record 8th year running, as well as topping the new 2024 QS ranking for Europe, and achieved an outstanding Gold ranking across the board in the recent Teaching Excellence Framework. Twelve members of our community were recognised in the King's Honours List; eight were elected as Fellows of the Royal Society; 12 were elected Fellows of the British Academy; and numerous other researchers have been recognised by the highest awards, prizes, fellowships and honours from governments and organisations around the world. The collegiate University has had its best year of fundraising ever, with over £385m raised in 2022/23, £222m of which was raised by the University.

It is this fantastic strength across the board that puts us in good stead to weather the headwinds that swirl around our spires: in the midst of a cost-of-living crisis for staff and students and a sector-wide funding crisis, our ability to attract donations from generous alumni and other supporters as well as competitive research grants, demonstrates confidence in our ability to deliver high-impact research for the benefit of all, and enables us to continue to attract the brightest minds to study and work here.

In order to attract those bright students and break down the barriers that prevent some of them from applying, we have been working hard to expand our access programmes this year. Over a thousand students came to Oxford this summer for our UNIQ outreach residential programme; over 170 undergraduate students are on our academic bridging programme Opportunity Oxford; and our first cohort of Astrophoria Foundation Year students joined us this term. I would like to thank our generous donors for their support in making these

life-changing opportunities for young people possible. We continue to improve access to graduate studies through our Academic Futures scheme, and are making progress against our goal of ensuring all our graduate students are fully funded.

These are exciting times for Oxford's estate, with the new Stephen A. Schwarzman Centre for the Humanities now under construction and due to open in 2025, as well as two new buildings at Begbroke Science Park and the Life and Mind Building, both developed through our partnership with Legal and General, due to complete in 2024. The Schwarzman Centre will not only create a facility dedicated to learning and research in the humanities, underlining our firm belief in the value of the humanities to society, but will also create a world-class performing arts and exhibition venue open and welcoming to the public. The expansion of the Begbroke Science Park with two new buildings is part of our strategy to co-locate more academic facilities with the private sector, strengthening our partnerships through more widespread collaboration and benefitting all parties both intellectually and financially.

The University has created its 300th spin-out, supported by Oxford University Innovation and Oxford Science Enterprises. These companies have raised over £6 billion and created over 9,000 jobs, and we remain the highest university generator of patents and spin-out companies in the UK. Our ambitions do not stop there: we have plans to develop our own sites and partner with others to create one of the world's leading innovation

and knowledge-exchange ecosystems around Oxford. This will secure Oxford as the most attractive place to study, teach, research or work, while driving economic growth for both Oxfordshire and the UK.

I have been co-chairing a report for the Treasury and Chancellor of the Exchequer on the role of UK universities in driving economic growth through spin-out companies, and I am confident the opportunities are significant.

This year was not without its difficulties. The ongoing cost of living crisis is keenly felt in Oxford, and I launched a Pay and Conditions Review early in my tenure to understand the key issues impacting staff across the University and how we might better support our people. Fortunately, the Marking and Assessment Boycott did not cause the widespread disruption suffered by students at many other institutions thanks to the hard work of colleagues in minimising the impact. Inflationary pressures were considerable this year, however increased costs were mitigated by significant increases in teaching and research income on last year, as well as a higher dividend from the strong performance of the Oxford Funds over the past five years. Looking ahead we do not expect cost pressures to alleviate in the short term, however we maintain a strong balance sheet and have demonstrated our ability to work together across the institution to not only maintain financial sustainability, but also expand our research and global impact despite the significant global challenges experienced in the last three years. With an ambitious new development campaign to be launched at the end of 2024, we hope to raise billions of pounds in the coming years to fund more research, more scholarships, and endow more posts amongst other things. Combined, I am confident that Oxford will continue to thrive and be an institution that through its generous leadership and trusted status will deliver for the world. ”

Irene Tracey

VISION AND STRATEGIC COMMITMENTS

Oxford University's mission is the advancement of learning by teaching and research and its dissemination by every means.

Vision

We will work collectively as Oxford Leading Together to provide world-class research and education, building on the University's long-standing traditions whilst at the same time fostering a culture of innovation.

We are committed to equality of opportunity and to engendering inclusivity.

The University's distinctive democratic structure will continue to offer a source of strength and, together with our colleges, create environments which are supportive to individual scholars and promote interdisciplinarity.

Strategic commitments

Education	To attract and admit students from all backgrounds with outstanding academic potential and the ability to benefit from an Oxford education.
	To offer an excellent academic experience for all our students, and ensure that Oxford fully equips graduates to excel in whatever they choose to do.
	To retain and refresh the collegiate University's rich academic environment.
Research	To promote and enable ambitious research of exceptional quality.
	To invest in people, to support them and their research environment, thereby enabling the research endeavour to grow sustainably.
	To change the world for the better.
Publishing	To demonstrate evidence of positive educational and research impact from the use of Oxford University Press's materials and services.
	To invest to build integrated digital content and service propositions in its markets.
	To focus on growth in emerging markets, in particular those where Oxford University Press is already well placed.
	To focus on efficiency in order to remain competitive.
People	To attract, recruit and retain the highest calibre staff.
	To work towards an increasingly diverse staffing profile.
	To support staff in personal and professional development.
Engagement and partnership	To work with partners to create a world-class regional innovation ecosystem.
	To build a stronger and more constructive relationship with our local and regional communities.
	To engage with the public and policy makers to shape our research and education, and to encourage the widest possible use of our research findings and expertise.
	To maximise the global, social, cultural and economic benefit derived from our research and scholarship.
Resources	To manage our financial resources to ensure the collegiate University's long-term sustainability.
	To ensure that our estate provides an environment which promotes world-class research and education whilst minimising our environmental impact, conserving our historic built environment, and improving our space utilisation.
	To continue to invest in our information technology capability to enhance the quality of our research and education, and to streamline our administrative processes.
	To raise funds to support the very best students, invest in our staff and their work and provide new resources and infrastructure.

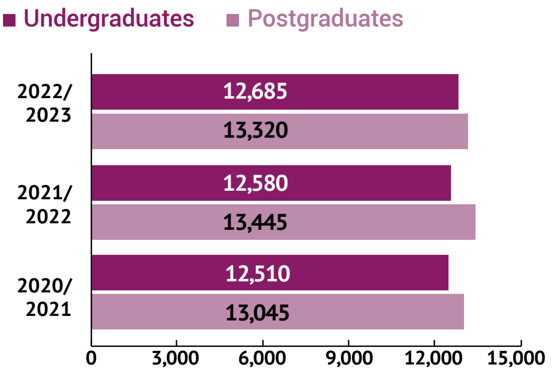
OPERATIONAL REVIEW
Education

Through a commitment to the personal education of each student, we will provide a quality of education and experience which equips students with the values, skills and intellectual discipline that will enable them to make a positive contribution to society.

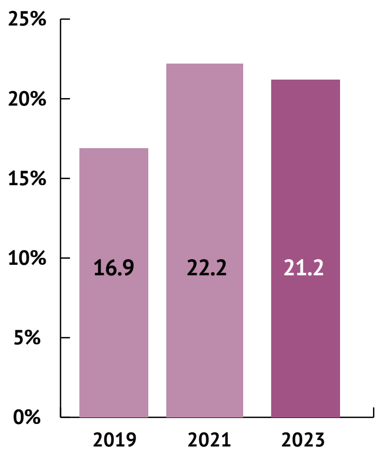
Our strategic commitments

- To attract and admit students from all backgrounds with outstanding academic potential and the ability to benefit from an Oxford education.
- To offer an excellent academic experience for all our students, and ensure that Oxford fully equips graduates to excel in whatever they choose to do.
- To retain and refresh the collegiate University's rich academic environment.

Student numbers



Students admitted from disadvantaged backgrounds[1]



Recognised for excellence

Oxford offers an exceptional undergraduate education supported by the personal tailoring built into our tutorial system, and also offers an increasingly innovative graduate programme with opportunities for part-time and distance study.

The quality of the education that the University provides has been recognised in the Teaching Excellence Framework (TEF) ratings recently published by the Office for Students. Oxford was awarded an overall "Gold" rating, with both student experience and student outcomes also being awarded this highest rating. This makes Oxford one of only four Russell Group universities to have achieved "Gold" across the board.

In the National Student Survey (NSS) 2022/23, students expressed well over 90% approval of the quality of teaching on their course, the academic support they receive and the library and digital resources that support their learning – among the highest scores in the sector. The NSS is an independent annual survey which gathers final-year undergraduate students' opinions on the quality of their experience at University.

Once again, the University also ranked first in the Times Higher Education (THE) worldwide ranking of universities which takes into account both teaching and research.

Undergraduate admissions and outreach

Overall applications for undergraduate study rose by 0.9% in the 2023 UCAS cycle and the number of admitted students fell by 1.6%. The largest decreases have been amongst applicants and admitted students from the EU.

The impact of the pandemic on UK schoolchildren's learning has been felt unevenly across the school sector, as has the return to the pre-pandemic A-level assessment regime. This has led to a slowing of progress in our undergraduate access Key Performance Indicators (KPI). Whilst we remain ahead of our targets agreed with the regulator, the OfS, progress on the state/independent school KPI (which attracts national interest but is a less accurate measure of disadvantage) has levelled off. As we prepare our next Access and Participation Plan over the coming year we will refresh our KPIs and targets, including increasing emphasis on the transition to academic study and the needs for on-course support.

[1] 2021 and 2023 based POLAR quintile 1, Acorn category 4 or 5, and Free School Meals eligibility. 2019 based on POLAR and Acorn only. .

Education – continued

The Undergraduate Admissions and Outreach team continues to work closely with colleagues across the collegiate University to share research on the ongoing impact of the pandemic in terms of educational disruption and learning loss. Disadvantaged students are identified during the admissions process through ongoing use of contextual data, including information on eligibility for free school meals which has not previously been available.

2023 saw the return of in-person outreach, with the flagship UNIQ programme taking a hybrid approach. UNIQ welcomed 1,153 participants to Oxford for a 3-day residential course, and 333 more joined an online academic programme. Thousands of visitors also returned to the city for the University open days. The Digital Outreach resource Oxplore continues to provide 'Big Questions' and is now running the Oxplore Book Club for a second year for KS3 students, promoting recreational reading.

Teaching: flexible and inclusive approaches

Oxford encourages a flexible and inclusive approach to teaching. This approach preserves the high quality, personalised education which is our hallmark, whilst recognising and minimising the barriers that hinder student learning and participation. Inclusive teaching contributes to students being able to identify and communicate their learning needs, being motivated to learn and confident that they can participate and be encouraged to do so and being clear about what they are expected to do and achieve.

Following the pandemic, a Digital Education Strategy (DES) has been approved which articulates a vision for digitally enabled teaching and learning, recognising the distinctive student experiences of tutorials, small group and college-based teaching. The DES provides a framework for transitioning from the pandemic to new ways of inclusive teaching, creating conditions for innovation in teaching, and supporting the global reach of Oxford's educational provision.

Graduate admissions, recruitment and access

Applications remained stable in the 2022/23 admissions cycle with a modest increase of about 1.5% (around 37,000 applications). Applications from the EU decreased by about 1.5%, whilst applications from the UK remained flat and applications from the rest of the world increased by about 2.5%. From September 2024, the graduate application fee of £75 will be abolished following a decision by Congregation in March 2020. The current year has therefore been marked by process and systems consultation and preparation to mitigate the impact on the expected increase in application volumes once the fee is removed whilst retaining our advances in graduate access.

The University's Graduate Access Working Group continues to lead on a number of pioneering initiatives to encourage and support access to graduate study for students from underrepresented and deprived backgrounds. In 2023, the UNIQ+ graduate access research internship programme continued to welcome 130 students from disadvantaged backgrounds in Oxford for seven weeks. The University continued to work in equal partnership with the University of Cambridge on the four-year Close the Gap project (started in January 2022) co-funded by the Office for Students and Research England to improve access to doctoral study for Black British, British Bangladeshi and British Pakistani students. After a mapping exercise to understand current admissions processes, sixteen departments across the two institutions will be piloting a set of new initiatives from September 2023. In parallel, our ground-breaking pilot to contextualise admissions by using socio-economic data has continued to expand to circa 150 courses across the four divisions, including the whole of the Medical Sciences Division.

Graduate funding

The University continues to face a substantial scholarship funding gap for graduate students and fundraising for such scholarships remains a strategic priority, with particular focus on funding to address underrepresentation and disadvantage in the graduate student community. Recent successful initiatives have included the creation of new endowed scholarships through the Graduate Endowment Matched Scholarships scheme, and the launch of the Academic Futures scholarship programme, including dedicated strands of support for UK Black and Mixed-Black students, refugee students, and care-experienced students.

In addition, and complementary to Academic Futures, three new programmes are available for 2023/24 entry: the Mastercard Foundation AfOx Scholarships for African Master's scholars, supported by a £40m gift; the Optiver Foundation Scholarships for women from low and middle-income countries on STEM Master's courses, supported by a £2m gift; the Graduate Scholarships for Ukraine, supported by XTX Markets.

Further information about graduate scholarships available at Oxford can be found at ox.ac.uk/admissions/graduate/fees-and-funding/oxford-funding

Education – continued

Continuing Education

The Department for Continuing Education is an integral part of the University of Oxford, with an outstanding track record of enabling non-traditional learners from across the globe to pursue their academic and professional ambitions. Continuing Education sits at the heart of the University's strategic commitments to broad outreach, and to providing an accessible, inclusive, and digital education to students and learners throughout their lives.

In 2023, the Department for Continuing Education celebrates its 145th year in the delivery of education for learners from a wide variety of backgrounds. A new vision and mission statement has been established, celebrating the role the Department plays in inspiring people locally, nationally and globally by extending access to Oxford's world-class teaching and resources through flexible and inclusive opportunities for study. The Department's mission is to extend its position as one of the strongest centres for lifelong learning in the UK, towards attainment as a global centre of excellence for lifelong learning.

The Department is a vital repository of experience and expertise in areas such as remote pedagogy, remote assessment, flexible modular provision and award of academic credit. It has a large and diverse portfolio; every year it has over 14,000 students enrolled across the range of programme offerings, making an important contribution to the diversification of the student population. The teaching portfolio includes: postgraduate certificates and diplomas; part-time masters' degrees; part-time DPhils; undergraduate certificates, diplomas and advanced diplomas; short accredited courses; foundation certificate courses designed to lead into full undergraduate degrees (at Oxford or elsewhere); summer schools; and continuing professional development courses. Courses are delivered in person, online and through a blend of the two. The Department is also home to the newly launched Astrophoria Foundation Year, one of the University's major access initiatives, which welcomes its first cohort of students in 2023/24.

The turnover of Continuing Education in 2022/23 was £21.3m, up £1.3m on the previous year, reflecting both resumption and expansion of Open Access courses, including summer schools and increased trading activities for the Residential Centre.

Supporting student success and their wellbeing

Ongoing development of our student welfare and wellbeing support services remains a priority as we see continued year-on-year growth in demand for counselling and mental health support, increasing numbers of students declaring a disability, and increased use of the available sexual harassment and violence support services, all of which mirror wider sector trends. Additional resources have been added to these services in recognition of the growing demands.

The Disability Advice Service has been actively developing a new strategic vision for the delivery of its services to ensure student support needs can be met in a timely and effective manner in the context of ever rising demand and individual and institutional complexity. A new process for assessing and communicating reasonable adjustment requirements has been determined and will be launched in 2023/24, complementing wider strategic goals and work on flexible and inclusive teaching and assessment practices.

Mental health continues to be a particular focus and, following an extensive piece of work by the Joint Student Mental Health Committee and wide consultation, in Hilary term 2023 the collegiate University agreed to adopt a Common Approach to Supporting Student Mental Health. This seeks to ensure a shared understanding and consistent, coherent practice that enables an appropriate, effective and joined-up response to students experiencing varying degrees of mental distress and ill health, regardless of where they present or seek help.

More than 1,000 staff across colleges, academic departments and central services have received training on supporting students with mental health difficulties, with plans to further expand this provision in the coming years. Additionally, building on previous work on the University's Mental Health and Wellbeing strategy and following a clear directive from the Minister for higher education, the University will now focus on preliminary work towards achieving the University Mental Health Charter, www.ox.ac.uk/students/welfare/mentalhealthandwellbeing.

Education – continued

Equipping students for future study and employment

The University seeks to equip all its students with the skills and knowledge to succeed in future study or employment. This is an area of increasingly vital interest to government and the regulator (OfS). Outside the curriculum, support provided for students included the following:

Careers support and skill development opportunities

- Careers advisers offered personalised support to 4,320 students in one-to-one advice appointments.
- More than 200 events were run by the Careers Service, including the Creative Careers Week, Sustainability Careers Week, and the Careers Beyond Academia conference for researchers.
- We welcomed more than 4,770 students and researchers and 362 recruiting organisations at 9 in-person careers fairs.
- Original skill development programmes such as the Oxford Strategy Challenge and the Student Consultancy provided 361 Oxford undergraduate and postgraduate students the opportunity to work on dozens of business projects with real organisations.
- In partnership with EnSpire, the Careers Service launched a brand-new programme developed for Oxford students, the Future Leaders Innovation Programme. 25 students completed this one-term programme, leading to an ILM Level 3 Award in Leadership and Management.

Internship and employment opportunities

- More than 14,000 jobs and internships were advertised by employers on Careers Service's virtual jobs board, CareerConnect.
- More than 1,750 exclusive internships in the UK and around the world were advertised through the Internship Office to Oxford students through the Summer Internship Programme, Micro-Internship Programme, and the Crankstart Internship Programme.

Wider engagement

- Internal: The Careers Service contributed to People and Organisational Development's Careers Club, the Strategic Business Team, and continued to collaborate closely with the Oxford University Alumni Office, colleges, and departments.
- External: The Careers Service Director Jonathan Black's FT column answering reader's careers questions is now in its 6th year. The Service continues to support the Asia University for Women and offered advice information sessions and promotion to the 10,000 Black Interns programme.

Outcome data for 2020/21 Oxford leavers

- 94% had a positive outcome (i.e., high skilled employment/self-employment or further study), compared with 89% for Russell Group leavers. Median salaries were £34,000 (Russell Group:£30,000).
- There was little difference within the Oxford population based on ethnicity: positive outcomes were 95% (BME) and 94% (white); median salaries were £35,000 (BME) and £33,000 (white).
- For Oxford UK undergraduates:
  - There was little difference based on their POLAR4 characteristic: positive outcomes were 93% (high participation, Q3-5) and 94% (low participation, Q1-2); median salaries were £32,000 (high) and £30,500 (low);
  - males had a higher positive outcome (94%) than females (92%) and a higher median salary (£34,500 vs £30,000);
  - students with a disability had a positive outcome of 91% versus 94% for those with no known disability; and median salaries were very similar between the two groups.

2022/23 HIGHLIGHTS

- TEF 2023 Gold rating
- 1st in the Times Higher Education (THE) World University rankings
- 26,495 students at Oxford, including 12,685 undergraduates and 13,320 postgraduates
- 23,193 applications during the 2023 UCAS cycle for 3,217 undergraduate places for 2023/24 entry
- 21.2% of undergraduate admissions are from the most disadvantaged backgrounds

TEF 2023
Overall: Gold
Student experience: Gold
Student outcomes: Gold
Teaching Excellence Framework

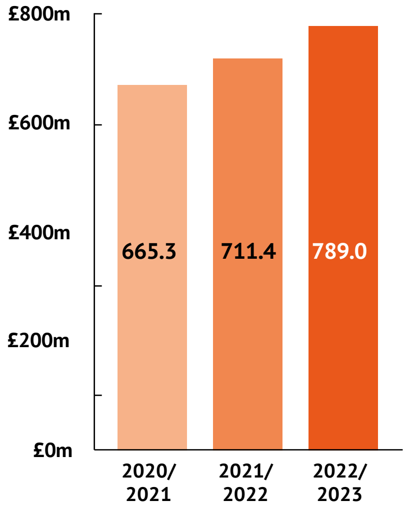
Research

The University of Oxford is world famous for its research excellence and is home to some of the most talented scientists and scholars from across the globe.

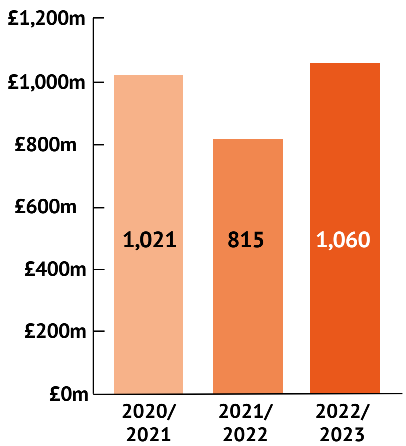
Our strategic commitments

- To promote and enable ambitious research of exceptional quality.
- To invest in people, to support them and their research environment, thereby enabling the research endeavour to grow sustainably.
- To change the world for the better.

Research income



Value of new research awards received



Research activity

The scale of the University's research activity is substantial, involving over 1,900 academics, almost 4,900 research staff, and over 7,000 postgraduate research students. The University collaborates with other universities and research organisations, healthcare providers, businesses, community groups, charities and government agencies, nationally and internationally. The public benefits from this research include better public policy, improved health outcomes, economic prosperity, social cohesion, international development, community identity, the arts, culture, and quality of life.

According to data published by the 2021 Research Excellence Framework (REF 2021; the official UK-wide assessment of all university research), the University has the largest volume of world-leading research in the UK. The University also made the largest submission of any Higher Education Institution in the UK, submitting over 3,600 researchers (3,405 FTE) into 29 subject areas, over 8,500 research outputs, and 220 case studies about the impact of Oxford research beyond academia.

The outcome of REF 2021 will inform the mainstream Quality-related Research funding (QR) element of the University recurrent QR grant for several years. In 2023/24, the level of mainstream QR funding will be £88m, £1.5m lower than in 2022/23. In June 2023, the UK funding bodies announced that the next Research Excellence Framework (REF 2028) will place an increased weighting (from 15% to 25%) on the culture and environment in which research takes place, and on institutional-level (in addition to discipline-level) assessment.

Research grant contracts awarded

Much of the University's research activity is funded by competitively won research grants and contracts awarded by third parties (including the UK Research Councils, UK charities and the European Commission) as well as funding from business and other organisations. In 2022/23, 2,570 new research awards were received, with a cumulative value of £1,060m and which will be spent over the lifetime of the awards across future years. In addition, Research England provided invaluable support through Quality-related recurrent grant funding totalling £164.2m.

Research income in 2022/23

Annual research income rose in 2022/23 to £789.0m, an increase of 10.9% compared to 2021/22.

The University's leading position in so many facets of national and international research has driven this year's research income growth. Income from industry has increased the most, from £117.3m in 2021/22 to £147.2m in 2022/23, largely due to investment by INEOS and to a lesser extent from AstraZeneca, GSK, and the Coalition for Medical Preparedness.

Strong growth was seen across the funder types, except for the UK Public Sector (reflecting the winding down of major COVID-19 studies) and EU (although the Horizon Europe underwrite is starting to come through from UKRI funding).

Selected research funding highlights in the past year include:

- £29m from the Faraday Battery Challenge for six innovative projects, four of which involve Oxford researchers, to drive progress towards developing the next generation of batteries.
- £12m from the Engineering and Physical Sciences Research Council (EPSRC) for a Future Vaccines Manufacturing Hub, co-led by Oxford and UCL, to make the UK a global centre for vaccine discovery, development, and manufacture.
- €10.4m from the European Research Council Synergy grant scheme, to lead an international team to investigate the relationship between the settled and mobile peoples whose civilisations crossed thousands of miles of Eurasia from 2,000 BCE.
- €10m from the European Research Council to four Advanced Grantees, in recognition of ground-breaking projects and a track record of significant research achievements.
- £8m from EPSRC to co-lead the establishment, with UCL, of a national energy data platform to help facilitate the transition to net-zero carbon emissions.
- $3m from the Rockefeller Foundation to develop an open-source platform that, for the first time, will enable access to real-time, anonymized health data on infectious disease outbreaks.
- £1m from Wellcome to further strengthen research leadership at Oxford.

The University is grateful to its research sponsors and partners for making the resources available to undertake these and many other projects. Further information on the range of impacts which University research has on the world of policy, health, business, and culture is available in a series of case studies and films at www.ox.ac.uk/research/research-impact.

2022/23 HIGHLIGHTS

- For the eighth consecutive year, ranked first in the *Times Higher Education* (THE) worldwide ranking of universities (both overall and for research)
- Highest overall research income of any UK university including highest for UK public sector, industry, and the European Commission
- The REF 2021 results mean that Oxford will be the recipient of the highest quality-related recurrent funding for research of any UK university in 2023/24
- Oxford University retains top spot as the leading UK academic institution for generating spinouts

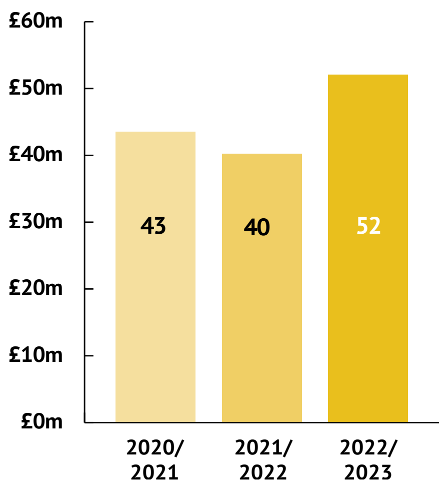
Educational Publishing

As a department of the University, Oxford University Press (the Press) furthers the University's objective of excellence in research, scholarship, and education by publishing worldwide.

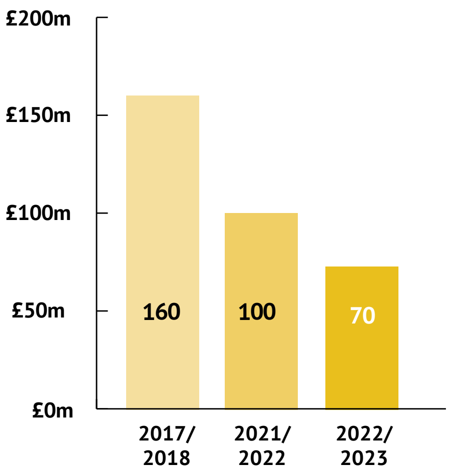
Our strategic commitments

- To demonstrate evidence of positive educational and research impact from the use of the Press's materials and services.
- To invest to build integrated digital content and service propositions in the Press's markets.
- To focus on growth in emerging markets, in particular those where the Press is already well placed.
- To focus on efficiency in order to remain competitive.

Value of annual transfer from educational publishing



Value of special periodic transfer from educational publishing



Mission

Oxford University Press serves three core publishing markets–Research, the Learning of English, and Education (Schools and Higher Education). It is committed to creating high quality content that supports education and research, and to making this content available all over the world.

Across its markets, the Press felt the pressures of high inflation and continued supply chain disruption as a result of the war in Ukraine and the rapid recovery in economic activity post-Covid. Nevertheless, it progressed with its ambitions to increase digital business and extend the reach and impact of its products and services. As a result, all divisions achieved turnover growth, with digital-only sales increasing by 6 per cent.

Market and sector strategies

The Press's sector-specific strategies allow it to build and extend its competitive position across its core publishing markets.

The ongoing transition to digital in Research publishing helped to offset a decline in print turnover. Eighty per cent of digitally appropriate research content is now available online, thanks in part to Oxford Academic – the Press's principal platform for academic research – which now hosts 42,000 books, 500,000 chapters, 500 journals, and more than three million journal articles. This year, the platform had 175 million visitors and 230 million visits; it has now been visited over one billion times since its launch in 2017. The release of the 22nd edition of the Official Methods of Analysis of AOAC International – a collection of over 2,500 validated chemical and microbiological methods and consensus standards – on the platform was the first time that the Press has published content in a digital book format alongside a journal, to support those undertaking practical research.

As part of its commitment to open access (OA), the Press added new titles to its OA collection, including Oxford Open Digital Health and Oxford Open Infrastructure and Health to the flagship Oxford Open series. A third of all journal articles are OA, and 120 journals are now fully OA.

Academic book publishing continued its strong track record of winning prestigious prizes, with success in 84 major categories. These included:

Educational Publishing – continued

The British Medical Association Outstanding Book Awards:

- Basic and clinical sciences and research category: *Molecular Biology: Principles of Genome Function* by Nancy Craig, Rachel Green, Carol Greider, Gisela Storz, and Cynthia Wolberger
- General medicine category: *Fix IT: See and solve the problems of digital healthcare* by Harold Thimbleby (also named runner up for the BMA medical book of the year award)
- Primary Care category: *Positive Medicine: Disrupting the Future of Medical Practice* by David Beaumont
- Special category for 2022 – Covid-19 category: *The Contagion Next Time* by Sandro Galea

The American Historical Association's George Louis Beer Prize:

- Best book in modern European intellectual history: *Muslims and the Making of Modern Europe* by Emily Greble

Three Distinguished Book Awards from the Society of Military History

The Press was also honoured to be commissioned by the Archbishop of Canterbury to produce *The Coronation Bible*, which was subsequently used by His Majesty King Charles III when taking the Coronation Oath. The Press has a long history of bible publishing, dating back to 1675. The first recorded use of an *Oxford Bible* during a coronation was by King George III in 1761.

For its high-profile Word of the Year campaign, Oxford Languages announced a new approach in 2022, allowing the public to vote for one of three options: *metaverse*, *#IStandWith*, or *Goblin Mode*. 340,000 people took part, with *Goblin Mode* named the official Word of the Year having received 93 per cent of the vote. The Press further demonstrated its lexical expertise by announcing a three-year research project to compile the *Oxford Dictionary of African American English (ODAAE)*, a collaboration with Harvard University's Hutchins Center for African & African American Research. The project will record the most comprehensive and up-to-date picture of African American English to date.

In Education, the Press supported millions of learners across 159 countries and regions, and continued to respond to the changing needs of teachers and learners by innovating in digital and blended products. Highlights included: the launch of an updated version of *Oxford Reading Buddy*, a digital reading service with a virtual reading coach; updates to parent platform, *Oxford Owl for Home,* to improve the user experience and make information more accessible; and partnering with the South African telecoms provider MTN to deliver a mobile subscription service, to which more than 140,000 people have subscribed so far.

In children's publishing, the *Raise a Reader* initiative was launched in the UK to help inspire a lifelong love of reading in children and young people. As part of the programme, the Press worked with the National Literary Trust's Primary School Library Alliance to help 10 schools in disadvantaged parts of Oxfordshire by donating books and helping to create dedicated reading spaces, as well as taking the *Raise a Reader* camper van to 10 locations across England to celebrate books and reading.

Other Education milestones included the 110th anniversary of OUP India and the 75th anniversary of OUP Pakistan. Both markets maintained their ambitions to strengthen connections with educators and support education through technology. Highlights included the launch of competency-based blended learning programme *Oxford Inspire* in India, and the continued success of the Karachi Literature Festival, which brought together 130,000 people to discuss the topic of 'people, planet, and possibilities'.

Higher Education had a challenging year due to lower student enrolment numbers and changing student buying habits. Despite this, the Press saw market share growth in the US, and further innovation in its products and services, as demonstrated through the launch of *Oxford Insight* courseware 2.0 and the new direct-to-student e-commerce platform for North America. The Press's online law service, *Law Trove*, reached the milestone of being adopted by half of UK law schools and is now used by 35,000 students in the UK and Europe.

The English Language Teaching division continued its post-pandemic recovery, achieving double-digit turnover growth. It saw increased demand for digital products, with its product platforms reaching three million users–up 10 per cent compared to the previous year. Engagement with the *Oxford English Hub*–the flagship platform aimed at creating a single destination for teachers and learners of English – grew, thanks to enhanced functionality and an improved user experience. The Hub is now used in over 100 countries, helping more than 230,000 users along their English language journey.

The Press continued to build and strengthen its English language network across the world. It held 375

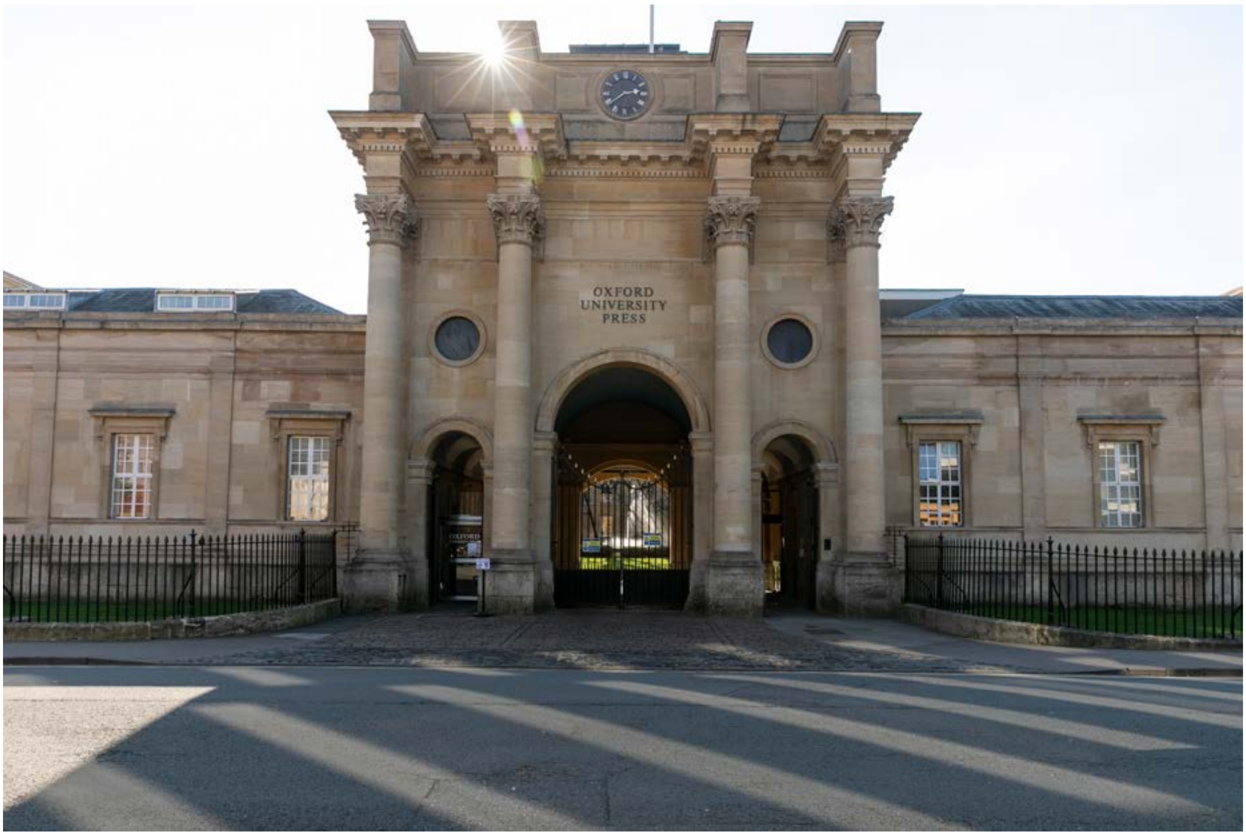
Educational Publishing – continued

global events and gained 54,000 new followers to its online teaching community. It also offered support to students affected by the ongoing war in Ukraine and the earthquake in southern Turkey and Syria.

Over the course of the year, the Press achieved turnover growth in spite of challenging market conditions. It transferred £122.2m to the rest of the University, to support a range of research, scholarship, and educational activities.

2022/23 HIGHLIGHTS

- Migrated 42,000 books to the Oxford Academic platform
- Supported 230,000 people to advance their English language skills through the Oxford English Hub
- Helped 53 million learners in 159 countries through schools publishing
- Academic titles won 84 major awards
- Achieved the one billionth visit to the Oxford Academic platform
- 340,000 people voted to select the 2022 Word of the Year
- Generated £87.5m operating profit (2022: £117.3m)
- £122.2m cash transferred by the Press to the rest of the University



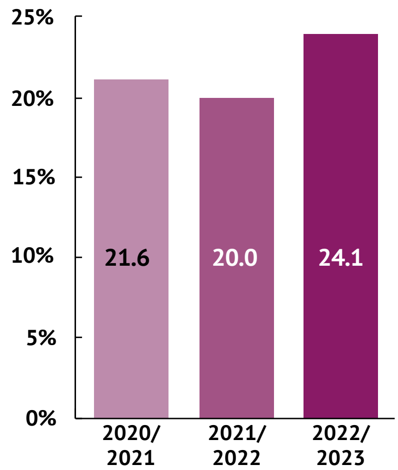
People

People are the foundation of the University's success and the quality of our academic, research, professional and support staff is critical to our future.

Our commitments

- To attract, recruit and retain the highest calibre staff.
- To work towards an increasingly diverse staffing profile.
- To support staff in personal and professional development.

Women as % of statutory professors



We attract, recruit and retain the best research, teaching and professional staff from around the world, providing an excellent overall package of employment benefits, a welcoming and inclusive culture, generous flexible working and family leave policies, and support for the transition of newly recruited staff to Oxford.

Equality, diversity and inclusion

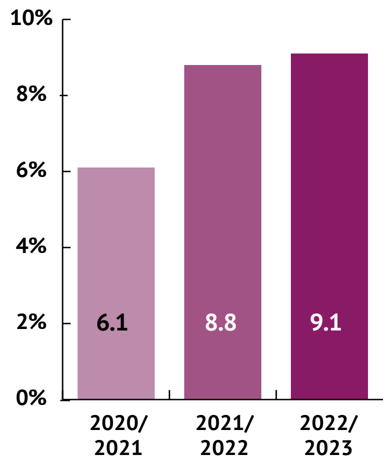
The University recognises the importance of diversity among its staff and is actively working to increase this and to embed an inclusive and fair working environment that allows everyone to grow and flourish. 42 departments hold Athena SWAN awards for promoting gender equality, 1 at gold, 20 at Silver and 21 at Bronze. The University was awarded a silver institutional award in March 2023.

Staff development and wellbeing

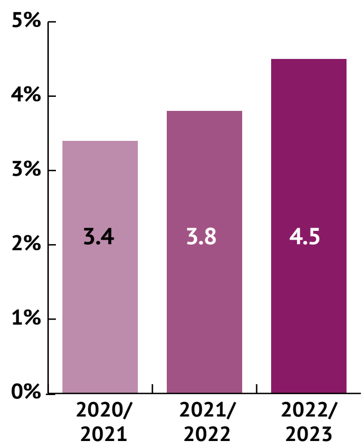
We encourage staff to plan their development through Personal Development Reviews and are strengthening development programmes for all staff with a focus on management and leadership, Oxford-wide Career resources for professional services staff, support for early career researchers, and online provision for those working partly from home.

The University is committed to creating an environment where everybody is supported to feel and perform at

% Turnover of staff on permanent/ open-ended contracts



Academic staff % turnover



their best as part of the University community. Over the last year, all University nurseries received their first Ofsted inspection under Kids Planet, with three outstanding and two good ratings. In the thirty-year history of University childcare, these are the best ratings we have ever had. We also launched the first full University Employee Assistance Programme, oversaw the development and delivery of the first pan-University Wellbeing Festival, incorporating over 50 events on a limited budget, and introduced a network of Wellbeing Champions across the University.

Priorities for 2023/24

A People Strategy project group has been established to use data and feedback from the recent CIPD People Impact Survey, the Staff Experience Survey and HR professionals across the University to produce a 12-month action plan on key central and divisional HR deliverables in Michaelmas Term 2023. At the same time, the group will identify the key themes of a new People Strategy which will be developed in Michaelmas Term as one of the pillars of the new University strategy. The People Strategy will respond to the changing needs of our academic and professional services workforce as well as the labour market and external environment. We will involve colleagues across the University to help us rise to the challenge of retaining, developing, attracting and rewarding world-class talent, embedding a strategic workforce planning approach, and changing culture and working practices through inclusive Organisational Development and Learning and Development.

Additionally, we are delivering the VC's report on pay and conditions, a comprehensive review of the total reward and benefits on offer for all staff. We will continue the success of the Thriving at Oxford Programme, with changes to the wellbeing infrastructure, provision and environment. The University will be submitting its application for renewal of its bronze Race Equality Charter award in November 2023.

2022/23 HIGHLIGHTS

- The first full University Employee Assistance Programme was launched in July providing confidential help and support to all employees, partners and dependants. Employees can access up to six free counselling sessions per issue per year, receive advice on money and debt issues, legal information, family advice and access to their wellbeing app 'My Healthy Advantage'
- The University was awarded a silver institutional Athena Swan award in March 2023
- Started a partnership with CIPD though the implementation of the CIPD Impact Tool survey to help us understand our people priorities and develop a new people strategy
- Introduction of the Vice-Chancellor's Professional Services Awards with more than 140 nominations representing more than 300 members of staff, with 26 teams shortlisted
- Launch of EveryDaySafe as the result of a comprehensive two-year review of how we manage health and safety
- Implementation of recommendations from the Grading service review, streamlined service and improved turnaround times for users
- New support in place for those experiencing negative effects of menopause in the workplace
- The Thriving at Oxford wellbeing programme was launched in September 2022, which included an online wellbeing resource centre, the introduction of Wellbeing Champions and wellbeing workshops and events which were delivered to over 2,770 people

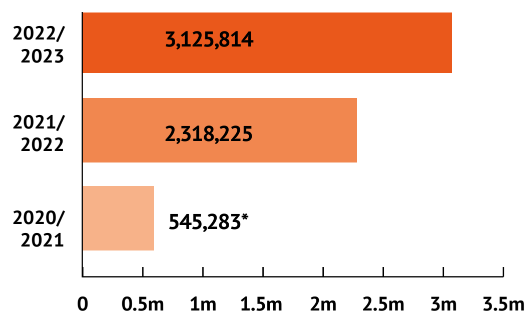
Engagement and Partnership

Our research and education aims to benefit the wider public in the Oxford region, across the UK and globally. To this end we work in partnership with public, private, voluntary and commercial organisations and our alumni to enhance public engagement and knowledge exchange.

Our strategic commitments

- To work with partners to create a world-class regional innovation ecosystem.
- To build a stronger and more constructive relationship with our local and regional communities.
- To engage with the public and policy makers to shape our research and education and to encourage the widest possible use of our research findings and expertise.
- To maximise the global social, culture and economic benefit derived from our research and scholarship through our international engagement.

Number of visitors to University gardens, libraries and museums



* Note the KPI has been impacted by lockdowns, social distancing and travel restrictions.

Social contribution

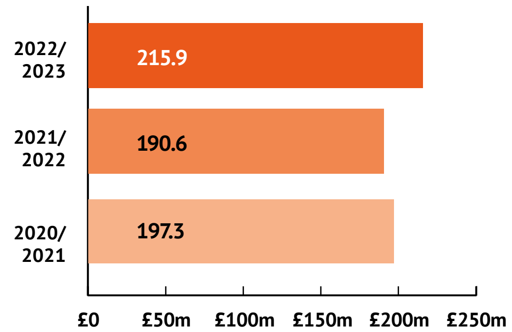
Social ventures continued to grow, with two new social ventures created in 2022/23 and a total of 17 since the programme launched four years ago. Oxford University Innovation (OUI) has launched its first Impact report detailing the impact from all University companies.

The University of Oxford continues to provide annual grant awards to community projects, events and activities in Oxford through its Small Community Grants Scheme. The grant scheme is based around four criteria: providing educational opportunities for young people; promoting and celebrating culture and heritage; benefiting the city's many communities; and building ties between the University and city. The Scheme awarded £33,075 to 28 separate projects in 2023 including: groups and workshops supporting people with cancer; literacy programmes; projects for adults with learning disabilities; support for local people who are homeless; bespoke experiences for children and young people with a visual impairment; emergency food parcels; community music workshops; projects aimed at preventing social isolation; and mental health and wellbeing initiatives. The 2024 application process will be announced later this year.

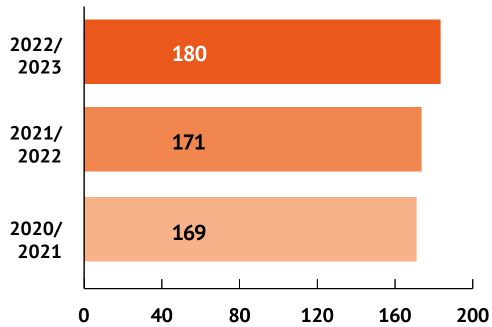
Economic contribution

In 2022/23 the University created 20 companies (spinouts, startups, and social ventures), with support from OUI. Since OUI was formed in 1988 it has launched over 300 companies. These companies have raised over £6bn of investment, with £731m raised in 2022/23.

Value of University's share of spinout companies



Number of spinout companies



Engagement and Partnership – continued

Cultural contribution

In 2022/23 the Gardens, Libraries and Museums (GLAM) welcomed over 3.1 million visitors to its public spaces (that comprise four museums, the botanic garden and arboretum, and the Old Library and the Weston Library of the Bodleian Libraries). This figure represents a 35% increase in visitors from 2021/22.

GLAM welcomed more than 4,000 school and educational groups in 2022/23 comprising over 92,000 students. In addition there were 1,300 public engagement events attended by over 62,500 visitors. The public engagement teams worked with local organisations, groups and communities, and often audiences historically underserved by the sector, to deliver a programme of over 325 outreach events or activities, reaching over 10,500 people.

GLAM continued to provide a vital service to its users and the academic community. The Bodleian Libraries welcomed more people than ever in 2022/23, with 1,675,277 visits to its physical libraries, a 29% increase on the previous year. The Bodleian Old Library and Radcliffe Camera experienced record levels of footfall.

There were over 20,501,128 uses of the Libraries' e-books and e-journals, an 8% increase on the previous year. GLAM launched new digital resources, such as the Pitt Rivers Museum Collections Online platform with 510,884 records from the Museum's collections. The Libraries' major digital project, moving to a new integrated library system, reached fruition at the end of the academic year.The Bodleian Libraries, together with other GLAM institutions, provided student-focused wellbeing activities over the year, engaging students in activities such as visible mending and poetry printing during Hilary Term and providing enhanced support during the pressured exam term.

GLAM ran an innovative public programme, with popular exhibitions that included *Labyrinth: Knossos, Myth & Reality* at the Ashmolean Museum (which welcomed over 65,000 visitors), *These Things Matter: Empire, Exploitation and Everyday Racism* at the Bodleian Libraries (a partnership with the Museum of Colour and Fusion Arts that drew 128,000 visitors), and a display of props from the BBC adaptation of Philip Pullman's *His Dark Materials* which ran at the Pitt Rivers Museum and the History of Science Museum. GLAM worked with contemporary artists from Dia Al-Azzawi at the Ashmolean Museum to internationally acclaimed performance artist Marina Abramovič whose exhibition at the Pitt Rivers Museum, 'Presence and Absence' & 'The Witch Ladder', was extended twice due to popular demand. 2022/23 also saw a program of events celebrating the 60th anniversary of Harcourt Arboretum uniting with Oxford Botanic Garden in one department.

GLAM continued to engage with the local and international community:

- Harcourt Arboretum established a vibrant new programme of community engagement linked to brain health and wellbeing, including Green Social Prescribing working with NHS Link Workers from around the county, and storytelling with local community groups such as YouMove with Active Oxfordshire.
- Important partnerships with local schools, teachers and students were re-established as we emerged from the pandemic. A particularly successful outcome of these partnerships was the launch of the first exhibition co-curated by students of Iffley Academy, an Oxford school for students with special educational needs, which features unusual calculating devices from the History of Science Museum handling collection. The exhibition is displayed in a loaned case at Iffley Academy school.
- At the Pitt Rivers Museum, long-standing collaborations with Indigenous Peoples – including the Evenki of Evenkya in Siberia, Naga of Nagaland in India, Maasai of Kenya and Tanzania, the Ainu in Hokkaido in Japan, and Haida in Haida Gwaai in Canada – have led to important new contributions to a renewed building of relationships, including work towards reconciliation and redress through healing ceremonies and provenance work that re-activate the Museums' collections and relationships including new collecting in innovative ways.

Several projects were launched by GLAM in 2022/23, including the *Origin* project, a 5-year collaboration between NHS Trusts, multiple museum and charity partners working with young people to create an online museum as a way of improving their mental health and Ocean Census, a 10-year project to survey the ocean, with the Museum of Natural History working in partnership with Nekton and Nippon Foundation. The Museum of Natural History's £1.6m *HOPE for the Future* project, funded by the National Lottery Heritage Fund, completed its main aims, with 1.1 million British insects conserved, documented and rehoused, and the Westwood Room (originally 'Mr Hope's Entomology Museum') restored to its original Pre-Raphaelite colour scheme and decoration.

Engagement and Partnership – continued

2022/23 HIGHLIGHTS

- In September 2022, Gilead Sciences acquired Mirobio for approximately $405m. The acquisition provides Gilead with MiroBio's proprietary discovery platform and the entire portfolio of immune inhibitory receptor agonists
- In January 2023, Oxa (previously called Oxbotica), a global leader in autonomous vehicles, announced that it had raised $140m in Series C investment. The funding will drive Oxa's geographical expansion in North America, EMEA and APAC. The funding will help to accelerate the deployment of its ground-breaking autonomy operating system in domains where there is both urgent need and potential to scale, such as agriculture, airports, energy, goods delivery, mining and shared passenger transportation

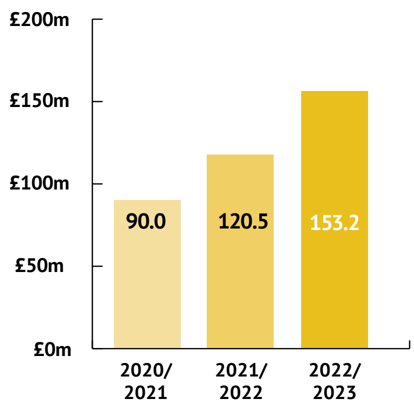
Resources

Oxford University benefits from the careful stewardship of resources by previous generations. Ensuring financial and environmental sustainability is an essential pillar of the University's strategy.

Our strategic commitments

- To manage our resources to ensure the collegiate University's long-term financial and environmental sustainability.
- To provide an environment which promotes world-class research and education whilst minimising our environmental impact, conserving our historic buildings, and improving our space utilisation.
- To continue to invest in our information technology capability to enhance the quality and security of our research and education, and to streamline our administrative processes.
- To raise funds to support the very best students, invest in our staff and their work and provide new resources and infrastructure.

Capital additions to property, plant and equipment



Financial resources

The University is in a strong financial position. It has net assets of £5.4 billion and benefits from a £3.6 billion endowment fund.

A £1 billion bond is being deployed to fund a number of academic buildings as well as the University's Environmental Sustainability Strategy. This ultra-long-term debt is at a fixed 2.54% interest rate and is not repayable until 2117.

In 2019, the University signed a long-term partnership with Legal & General plc (L&G), who will provide up to £4 billion to fund the construction of graduate student accommodation, staff housing, innovation districts, and functional buildings. The first projects being delivered under this partnership are now underway and are commented on in the Estate section below.

Information Technology

The Foundations phase of our Digital Transformation programme has been advancing the University's digital ambitions throughout 2022/23 - seeing the establishment of three new competency centres in workflow/automation, cloud computing, and cybersecurity; the delivery of a number of interventions to deliver immediate improvements; and carrying out a range of investigations relating to strategic directions. A comprehensive service review has been undertaken regarding the delivery of infrastructure services across the University with a set of recommendations to enhance the consistency and effectiveness of services. Governance has been restructured from an IT focus to a broader digital perspective, with stronger interconnection with wider University governance, and clearer focus on the full spectrum of portfolios of services.

Development

In the 2022/23 financial year, the University raised over £220 million in new cash gifts and pledges. In the past few years, we have continued to see an increase both in large gifts (£10 million and above) as well as our baseline from smaller gifts. The increase in larger gifts has had a significant impact on the University's ability to endow more posts and fund longer term projects. This forms a significant part of the development strategy as the Development Office prepares the groundwork for the public launch of a new fundraising campaign.

Resources– continued

Some of the most significant gifts in 2022/23 include support from the Mastercard Foundation for the creation of the Africa Oxford (AfOx) Scholarships, providing opportunities for 400 graduate students ordinarily resident in Africa to pursue taught master's degrees and to fund programmes related to pandemic preparedness and recovery; and from the William Delafield Charitable Trust, supporting collections conservation posts and activity across University museums and libraries.

The Pandemic Sciences Institute (PSI) continued to attract substantial gifts, underlining the lasting impact of the University's work in relation to COVID-19. These include the endowment of key posts in the field of emerging pathogens research, further support from the Mastercard Foundation towards establishing the leadership and innovation networks, and funding for an influenza therapeutics trial.

Other notable philanthropic support in this period includes funding for the Astrophoria Foundation Year, a programme for UK state school students who have experienced severe personal disadvantages or a disrupted education; and a donation from the Uehiro Foundation on Ethics and Education for the Oxford-Uehiro Graduate Scholarships, for a fully funded programme for Japanese students inspired by the Chōshū Five.

Further areas that received a significant boost from philanthropy this year include programmes supporting Ukrainian refugees, scholarships for under-represented groups in mathematics, research into children's mental health, and the emerging role of AI.

Estates

The University is preparing to launch a new Estate Strategy for the period 2023-28. Expected to be approved by Council in late 2023, this is intended to put the University in a position to provide staff and students with consistently high-quality facilities that fully support our academic mission while also providing the flexibility to accommodate future changes in requirements. It also seeks to make the estate truly sustainable over the long term, in both financial and environmental terms.

This outlines a new approach to managing the estate, with a more strategic and coordinated approach to maintenance that will support delivery of the University's goals on quality and sustainability. This will involve controlling the estate's growth and focusing resources over the coming years on the buildings that are at the end of their usable lives, refurbishing or replacing them to ensure appropriately high levels of functional suitability, user comfort and environmental performance.

Key projects continued to move forward. The Life and Mind Building reached its highest point in early 2023 and is on track to open in late 2024. Delivered under the University's partnership with Legal & General, it will provide space for teaching, research, collaboration and public engagement for the Biology and Experimental Psychology departments.

Construction also began on the Stephen A. Schwarzman Centre for the Humanities in early 2023, with completion expected in 2025. The project will create high-quality facilities for teaching, research and public engagement, including a theatre and 500-seat concert hall. All this is made possible by donations totalling £185 million from Stephen A. Schwarzman – the largest in the University's history.

The project to create facilities for Reuben College is approaching completion. This has involved extensive refurbishment to provide study space, offices, dining facilities and common areas for the University's 39th college. It will also create new storage, teaching and research space for museum collections, as well as a refurbished science library.

Several more projects under the L&G joint venture are moving forward. The renewal of the University's graduate housing at Court Place Gardens is expected to be ready for tenants to move in ahead of the 2024/25 academic year, and construction is almost complete on two new R&D buildings at Begbroke Science Park which will almost double the available floor space there – one intended for the University's own research groups, the other for private sector partners.

The University's longer-term aspirations to develop its land around Begbroke into a unique innovation district are moving forward quickly, and Oxford University Development (OUD), part of the joint venture, applied for outline planning consent in summer 2023.

The plans include the creation of up to 155,000m2 of additional space for science and innovation, alongside around 1,800 energy-efficient, affordable homes, some available to University staff and others intended for the wider public, with local amenities and services including schools, nurseries, sports and leisure facilities, shops, cafes and new sustainable transport links. The University aims to create a vibrant, highly sustainable new community that will benefit everyone in the area. The site will be at least 20% more biodiverse than at present, incorporating large areas of wildlife-friendly green space.

Environmental Sustainability

The University's Environmental Sustainability Strategy, approved by Council in 2021, states the University's commitment to achieving net zero carbon emissions and a net gain in biodiversity by 2035. The Strategy lists ten priority focuses for achieving these goals.

Carbon emissions

University of Oxford Carbon Emissions (tCO2e)	2022/23	2021/22	2020/21
Scope 1 Emissions	18,860	19,854	25,009
Scope 1 Removals	-4,534	-4,534	-4,534
Scope 2 Emissions	24,414	20,737	21,487
Scope 2 Offsets	-24,414	-20,737	-21,487
Scope 3 Emissions	251,574	230,823	158,406

The table offers a categorised summary of emissions from the University. The emissions data, representing the 2022/23 academic year, is calculated (where possible) using physical measurements and the widely used UK government conversion factors for company reporting of greenhouse gas emissions (2023 dataset).

Between 2021/22 and 2022/23, Scope 1 carbon emissions (emissions directly emitted by the University) fell by 5%, with gas consumption dropping from 106MWh in 2021/22 to 99MWh in 2022/23. This reflects the efforts to reduce heating demand including the Be Energy Friendly Campaign and implementation of the internal temperature policy.

These emissions are partially offset by emissions removed from the atmosphere by University owned woodland, grassland and cropland.

We calculate our Scope 2 carbon emissions based on the electricity we consume and conversion factors provided by the National Grid ESO which reflect the carbon intensity of the UK grid. Our electricity consumption increased 3.5% from 114 MWh in 2021/22 to 118 MWh in 2022/23. The calculated emissions however increased by 17% due to changes in the carbon intensity of the UK grid. The electricity we use is, however, renewably generated and bought on a Renewable Energy Guarantee of Origin (REGO) backed tariff. Once this is taken into account, we have nil net Scope 2 emissions. The calculated emissions and the REGO offset are shown separately in the table below. The University expects that, over the coming years, electricity usage will continue to increase as we replace fossil fuel heating systems with electric ones, but we intend to continue to use low carbon generated power.

Scope 3 (indirect emissions e.g. those produced by the supply chain) emissions also increased between 2021/22 and 2022/23. This was primarily due to an increase in the price of purchased goods and services because of inflationary pressure. Scope 3 emissions are calculated, primarily, using a spend-based approach, which takes the cost of a purchased item or service and multiplies it with its corresponding emission factor. If the emission factors are not updated to reflect recent inflation, then the reported emissions increase in line with the spend.

Assessing Oxford's supply chain impacts on biodiversity

The impact on biodiversity dropped slightly in 2021/22 when compared to 2019/20, primarily as a result of the reduced water use by the University's suppliers.

Previous assessments have shown that the University's biggest impact on biodiversity is driven by the impacts of its supply chain. Five types of impact were assessed including: air pollution, greenhouse gases, land use, water use and water pollution.

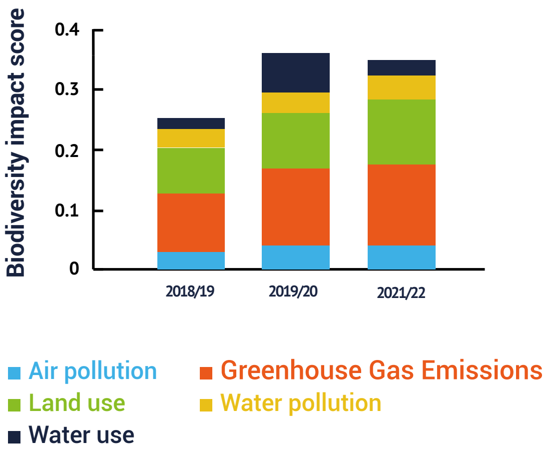
The change in the biodiversity impact of the University supply chain across three financial years is shown in the chart below. The biodiversity impact has increased since 2018/19, however the impact in 2021/22 has decreased slightly compared to 2019/20. The biodiversity impact will continue to be assessed in the coming year to better understand the annual impact in a year unaffected by Covid-19 restrictions.

The University can further reduce its supply chain impacts on biodiversity by increasing scrutiny of the sustainability commitments and environmental management of major suppliers. The University will continue to work with suppliers to investigate what more can be done to reduce these impacts.

This assessment has allowed the University to better understand the local and global locations where biodiversity is impacted by its supply chain, making it possible to prioritise areas for compensation and restoration projects. In the coming year, the University will continue to quantify the impact of all aspects of its activities, and to develop and share the methods with others in the sector.

Environmental Sustainability – continued

Change in biodiversity impact of the University supply chain



The change in biodiversity impact of the University supply chain, across three financial years including operations, research and construction subdivided by environmental pressures.

This year at a glance:

- 310 staff and students have completed cycle training, representing an increase of 45% from the previous year.
- The first ever Oxford Green Action Week took place with over 50 environmental events initiated by partners across the University, colleges and wider Oxfordshire.
- 190 teams took part in the LEAF (Laboratory Efficiency Assessment Framework) and Green Impact engagement programmes, adding to a growing network of staff and students committed to implementing sustainable practices across the University and colleges.
- A levy of £30/tCO2e was placed on University flights generating over £500,000 allocated to the Oxford Sustainability Fund for the implementation of the strategy.
- A comprehensive review of nearly 300 ecological studies conducted across the University estate was completed, mapping our collective biodiversity data.
- The Good Gardener campaign planted 24 patches of British wildflowers across the collegiate University to support Oxford's pollinators.
- Projects funded by the Oxford Sustainability Fund for energy efficient equipment and building management systems have averted 363 tCO2 and saved £394,852.
- The 2023 Travel Survey found that 74% of University staff and 97% of students commute sustainably.

EMERGING TRENDS

The University's strategic priorities have been developed against a background of local, national and worldwide change.

Global context

Instability, conflict and climate change are increasing across the globe. This can have direct effects, for example on student recruitment and on our research cooperation and field work, and also adds to financial pressures and economic uncertainty.

Inflation and low economic growth in large parts of the world continue to affect the economic and financial environment of the University at a macro level. These conditions create risks in terms of investment returns and the higher cost of capital.

National context

The cost of living crisis is affecting both students and staff. The University is providing support including a growing number of scholarships for students enabled by generous donations, a wide range of staff benefits, and student and staff hardship funds. A pay and conditions review, commissioned by Vice-Chancellor Professor Irene Tracey, is carrying out an independent analysis of all aspects of pay and conditions for both academic and non-academic staff.

UK inflation remains at high levels and puts pressure on University budgets. In particular, high energy prices and inflation in the construction sector present significant challenges. The University is developing a new long-term Estate Strategy. The Strategy will ensure that the University's mission is supported by state-of-the-art facilities, aligned with the University's Environmental Sustainability Strategy.

The lack of any inflationary increase to regulated student fees is also putting pressure on many University budgets. In the case of Oxford, this impact is moderated by the diverse range of overseas and post-graduate students that attend the University, but the University has sadly seen a decline in the number of EU students since Brexit.

Local context

In the local Oxfordshire context, affordability of housing for staff and students is a concern. Linked to the cost of housing is the challenge to attract academic and non-academic staff to the University. Developments at Begbroke and across the city, through the joint venture with Legal & General, are an important way to address this and these are progressing well.

The University Gardens, Libraries and Museums are recovering from the impact of the COVID-19 pandemic and visitor numbers are now approaching those before the pandemic.

Research funding

The UK Government has made a substantial and long-term commitment to invest in research and innovation. The announcement in the Autumn 2021 Spending Review that public funding in R&D would rise by over 35% from £14.8bn to £20bn per annum in 2024/25 was reiterated in the Autumn 2022 budget statement. This settlement placed the UK on a course to meet its stated ambition to invest 2.4% of GDP in R&D by 2027, supporting the objective of making the UK a "science and tech superpower" by 2030. At government level, science will receive greater prominence through the creation of the Department for Science, Innovation and Technology (DSIT), a more focussed departmental home than was the Department for Business, Energy and Industrial Strategy, and the revival of the National Science and Technology Council, with the Prime Minister as chair.

In January 2023, the UK Government formally established ARIA (the Advanced Research & Invention Agency), its £800m scheme to fund high-risk, high-reward research. ARIA's initial eight programme directors are currently being recruited. Quality-related (QR) funding for 2023/24 will increase by only 0.35% and so, notwithstanding the new opportunities offered in the funding landscape, policy changes and the UK economic landscape risk limiting the full potential of this uplift, especially as its real terms value is eroded by inflation.

Since the year end, the UK and the EU have successfully reached an agreement allowing the UK to re-join the EU's £80.5bn science research programme Horizon Europe as an associate member. In the past few years, Oxford researchers have been applying to Horizon Europe and winning funds which so far have been distributed, as a stop-gap solution, through the UK Horizon Europe Funding Guarantee. The agreement provides further reassurance on European funding, continuation of research income, and opportunities for fellowship and collaborative funding over the next four years. Under the new association, scholars at the University of Oxford will build on existing partnerships with EU researchers and forge new ones to carry out imaginative and life-transforming projects on issues affecting people around the globe, including disease, climate change and AI.

Research and innovation

Alongside the more stable Government commitments on research funding, it has been a period of change for sector policies and priorities.

The past year has seen the reporting and launch of reviews into various aspects of science policy in the UK.

Emerging trends – continued

Some of those that have already reported include the Nurse review of the research ecosystem (addressing how funding is distributed across the R&D sector), and the UKRI-commissioned report on peer review, which includes the role of AI in making funding decisions. A review of strategic institutional funding for research, including QR, will report next year.

Set against this backdrop of financial opportunity but also wider policy and sector uncertainty, the University nonetheless continues to perform strongly, as its generation of research income, growth of innovation, and the outcome of our REF 2021 submission demonstrate.

The innovation ecosystem is under pressure due to the higher cost of capital, but the University nonetheless span out nine new companies in 2022/23.

Teaching and student experience

The past year saw the first sector-wide running of the Teaching Excellence Framework since 2018. The results, announced in September 2023, saw Oxford achieve gold ratings across all elements of the TEF, a very strong endorsement of the excellence of Oxford's teaching and student support.

The impact of the pandemic on schoolchildren's learning has been felt unevenly across the school sector, and has led to a slowing of progress in our undergraduate access KPIs. However, we remain ahead of our targets agreed with the regulator, the Office for Students (OfS). As we prepare our next Access and Participation Plan over the coming year, we will refresh these KPIs, including increasing our emphasis on the transition to academic study at Oxford, on-course support and parity of student outcomes across different demographics. We will also continue to build on our sector-leading graduate access interventions, and the development of a comprehensive graduate access strategy, covering both admissions and on-course support, is a priority.

The demands of regulatory business continue to be high, including recent consultation and development in policy areas – from Freedom of Speech to processes around student sexual misconduct and revised regulatory conditions concerning quality assurance and academic standards – as well as strategically important submissions such as the Teaching Excellence Framework (TEF). The University's (and the sector's) concern about such increasing regulatory burden was given voice through the House of Lords Inquiry into the OfS; its recommendations are welcome and give hope that a measured approach to regulation will emerge.

Developments in digital education and assessment continue with particular focus now centred on establishing a common approach to online course provisioning – from which Oxford's global reach can continue to grow. The successful first run of formal typed examinations in summer 2023 gives confidence also for scaling up of such provision. Changes to University governance arrangements will also lead to greater alignment between digital development and transformation with education priorities and academic business needs.

The student population has grown by more than 10% in recent years and the appetite for further growth remains. An important strategic focus will remain on student number planning, looking not only at the vital academic quality considerations that must be met but also the fuller impact of growth on the student experience overall. Given concerns at the lack of any inflationary increase to regulated fees, understanding the costs of education becomes a vital exercise for the collegiate University in the coming year.

As we emerge from the post-pandemic period, priority has been given to supporting the student experience, especially as demands on specialist services grow. A common approach to student mental health support and revisions to Student Support Plans are the first steps towards further innovation and refinement of our student wellbeing arrangements. Partnership with local, charitable and NHS groups will be strengthened to make valued contribution, as we look to support new needs for our increasingly diverse student body.

Sustainable finances

In times of ever tighter public funding for universities, stagnating regulated fee levels and high inflation, sustainable finances are of particular importance and at the core of longer-term planning by our academic and services divisions. A strategic review of the University's professional services is currently underway which will ensure appropriate and sustainable funding and help improve service provision.

In the past few years, the University has continued to see an increase both in large gifts (£10 million and above) as well as smaller gifts. The increase in larger gifts has had a significant impact on the University's ability to endow more posts and fund longer term projects. This forms a significant part of the development strategy as the Development Office prepares the groundwork for the public launch of a new fundraising campaign.

FINANCIAL REVIEW 2022/23

Financial Review

This Financial Review describes the main trends and factors underlying The University of Oxford's consolidated performance during the year to 31 July 2023 and its financial position.

The University delivered a robust financial performance in 2022/23 in a challenging macroeconomic environment. Income has grown by 5.4%, costs have been controlled in a high inflation environment and comprehensive income was £132.6m. The University's strong balance sheet has been maintained with net assets of over £5 billion and significant cash being held £650.6m. Cash, however, fell by £76.6m over the year, mainly due to investment in new building projects. This overall performance was delivered through the efforts and achievements of all our staff and the continued support of our funders and donors.

Comprehensive Income

Overview

The results of the Group for the year ended 31 July 2023 are summarised in the table below.

Statement of Comprehensive Income £'m	2022/23 Consolidated	2021/22 Consolidated	Variance
Income	**2,924.7**	**2,775.4**	149.3
Expenditure	**(2,581.2)**	**(2,897.0)**	315.8
Surplus/(deficit) before other gains	**343.5**	**(121.6)**	**465.1**
(Losses)/gains on disposal of fixed assets	(2.2)	17.0	(19.2)
Losses on investments	(165.3)	(4.6)	(160.7)
Share of deficit on joint ventures	(2.7)	(4.1)	1.4
Taxation	(3.6)	(3.3)	(0.3)
Minority interest	(0.2)	(0.5)	0.3
Changes in defined benefit pension scheme liability	(30.4)	150.3	(180.7)
Currency translation differences on foreign currency net investments	(8.3)	3.9	(12.2)
Effective portion of changes in fair value of cash flow hedges	1.8	(5.4)	7.2
Comprehensive Income	**132.6**	**31.7**	**100.9**

Adjusted surplus before other gains £'m	2022/23 Consolidated	2021/22 Consolidated	Variance
Adjusted surplus before other gains	**117.3**	**150.5**	**(33.2)**
Change in USS and OSPS recovery plans	118.1	(368.6)	486.7
AstraZeneca royalty surplus	12.4	76.2	(63.8)
Exceptional donations – surplus after expenditure	95.7	-	95.7
Exceptional capital grants	-	20.3	(20.3)
Surplus before other gains/(losses)	**343.5**	**(121.6)**	**465.1**

Financial review 2022/23 – continued

The reported Surplus before other gains can fluctuate year on year due to the volatility of a few significant items. We, therefore, also report Adjusted surplus before other gains to give users of the financial statements a better understanding of the underlying financial performance and how performance has been affected by unusual events.

Adjusted surplus before other gains provides a measure of underlying performance that is comparable over time. The Group has redefined this measure during the year. It is defined as Surplus before other gains excluding the effect of exceptional items. Exceptional items are those items of income and expenditure which merit separate presentation because of their size, or the expected infrequency of the events giving rise to them, or because they result in a significant timing mismatch of income and expenditure.

Adjusted surplus before other gains in 2022/23 was £117.3m. This was £33.2m below the prior year mainly due to a reduction in the surplus generated by Oxford University Press (the Press) as a result of inflationary cost increases and adverse foreign exchange movements.

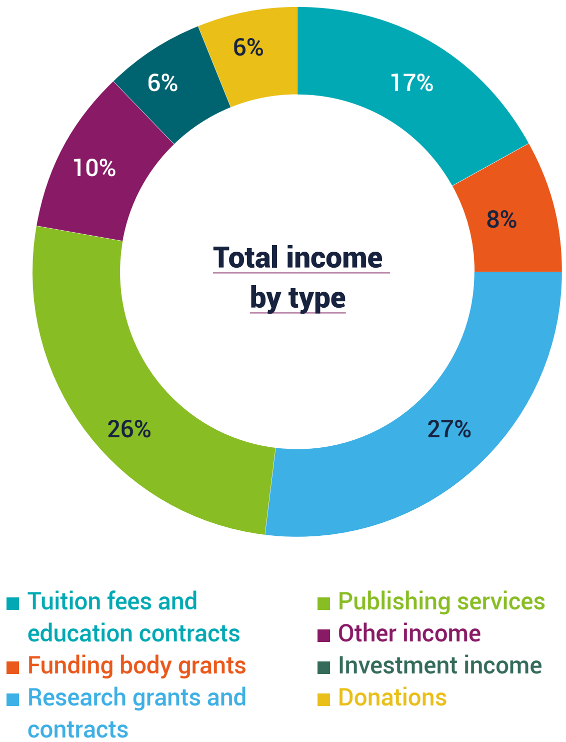
The reported Surplus before other gains for the year was £343.5m after taking account of the following:

- a favourable movement of £118.1m in the liability for pension deficit contributions for the Universities Superannuation Scheme (USS) and the Oxford Staff Pension Scheme (OSPS);
- the £95.7m effect on reported surplus of large donations from Mastercard and Ineos. Over the life of the projects, the expenditure funded by these donations will equal income. The income is, however, recognised in the year a donation is receivable whereas much of the expenditure is incurred in later years. The £95.7m adjustment represents the net of both the recognised income and expenditure during the year;
- the surplus on the sale of the Oxford AstraZeneca vaccine in developed markets. This was significant in the prior year but, as was expected, is much smaller in 2022/23 (£12.4m).

After taking account of a £165.3m reported loss on investments, Total Comprehensive income for the year was £132.6m (2021/22: £31.7m). Significant constituents of Comprehensive income, including the loss on investments, are commented on below.

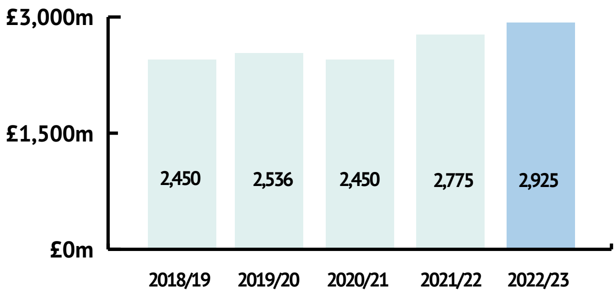
Income

Total income grew £149.3m to £2,924.7m, an increase of 5.4% on last year. The University's significant research funding, publishing income and investment income mean that income is well diversified with only 17% coming from tuition fees and education contracts.



Since 2018/19, total income has grown at a compound annual growth rate of 4.5%.

Total income £'m



Financial review 2022/23 – continued

Research grants and contracts (£789.0m up 11%)

Oxford continues to have the highest research income of any UK university. Total research income grew £77.6m to £789.0m. Growth was particularly strong in funding from industry and commerce which grew £29.9m (25%) to £147.2m, largely due to investment by INEOS. Income from UK research councils grew 17% to £174.8m and income from charities grew 14% to £225.4m.

Funding from the UK public sector fell 16% to £118.3m as major COVID-19 studies wound down, and funding from EU institutions fell 4% to £55.8m.

Publishing (£753.0m up 1%)

Income from the Press grew £9.9m to £753.0m with turnover increasing in all three of the divisions: Academic, Education and English Language Teaching.

The Academic division revenue grew by 1.3% to £342.0m with digital publishing now making up most of the division's turnover.

The Education division focuses on schools publishing. Revenue grew 2.5% to £239.8m. The division operates globally and, while there were challenges in the UK market, there was growth in Asia and South Africa.

The revenue of the English Language Teaching division of £171.2m was in line with the prior year.

Despite the modest increase in publishing revenue, the surplus before gains generated by the Press was down £29.8m. This was mainly due to inflation in printing and staff costs and adverse foreign exchange movements.

Tuition fees and education contracts (£504.2m up 8%)

Tuition fees grew £37.3m with most of the increase arising on unregulated fees. Fees from overseas students were up £23m (11%) and fees from professional and non-matriculated courses up £13m (24%). The percentage of students paying overseas rates, which includes new EU students, grew from 33% to 36%. Undergraduate numbers were up 0.8% but postgraduate numbers were down 0.9%.

Funding body grants (£229.2m up 11%)

Funding body grants mainly consist of grants from Research England and the Office for Students and in 2022/23 included a supplemental non-recurrent QR grant from Research England of £7.6m.

Other income (£281.9m down 31%)

Other income fell £129.2m due to the royalties from the AstraZeneca vaccine falling £122.2m (from £143.1m to £20.9m). Royalties are only earned from vaccine sales in developed countries which, as expected, were significantly lower than last year.

Investment income (£180.5m up 39%)

Investment income mainly consists of the cash dividend from the Oxford Funds. This is designed to give a steadily increasing dividend supported by the long-term investment return on the endowment fund. The amount of the dividend is based on 4.25% of the average net asset value over the last 20 quarters. The dividend was £30.9m higher than prior year reflecting the growing asset value as the University continues to invest gifts in the Oxford Funds and the increasing net asset per share of the fund over time.

Donations and endowments (£183.7m up 77%)

Donation and endowments increased £79.9m to £183.7m. This included a £64.3m gift from the MasterCard Foundation to fund the AfOx scholarships for exceptional Masters students who are nationals of an African country and EPSILON programmes in Africa to create an eco-system for high quality sciences and leadership in pandemic sciences.

Expenditure

Total expenditure in 2022/23 was £2,581.2m, a reduction of £315.8m from prior year. However, if the effects of the movement in pension provisions and the AstraZeneca costs are excluded, then underlying expenditure increased by £229.9m, an increase of 9.3%.

Staff costs

Staff costs represent 46% of the underlying cost base. Staff costs, excluding the movement in pension provisions, increased 6.1% on prior year. This includes the effect of a 3.0% pay award from August 2022, a one-off cost of living payment to staff in November 2022 of c.2%, the effect of implementing part of the 2023/24 pay award early from February 2023 (c.2%) and the reduction in employers national insurance contributions from 15.1% to 13.8% from November 2022 . In addition, there was a 2% increase in staff.

Financial review 2022/23 – continued

There is a £118.1m favourable effect on staff costs for 2022/23 from the movement in the liability for deficit recovery plans. This includes a favourable movement of £92.4m arising on the Universities Superannuation Scheme (USS) which is mainly due to an increase in the discount rate. There is also a further £29.4m favourable movement on the Oxford Staff Pension Scheme (OSPS) because the latest triennial valuation, as at March 2022, showed a surplus and deficit payments therefore ceased from October 2023.

Non-staff costs

Non-staff cost operating expenditure grew 6.3% to £1,274.5m. AstraZeneca related costs however fell in line with the large fall in royalty income. If AstraZeneca related costs are excluded, non-staff costs increase 11.9% from prior year. This was driven by the increase in energy costs and the high level of general inflation.

Interest and other finance costs (£54.0m up 44%)

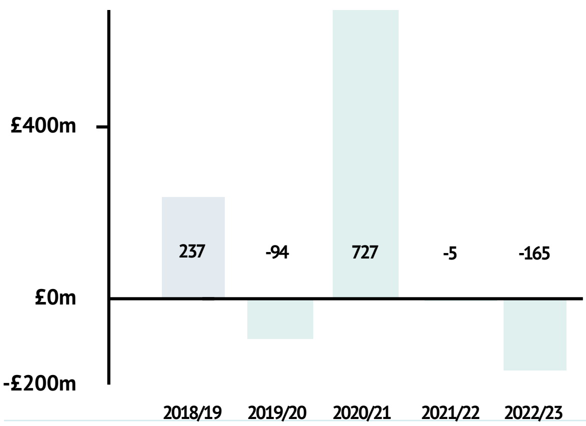
Interest on the University's bond and bank loans was broadly in line with prior year as nearly all the University's borrowing is at fixed interest rates. There was, however, a significant increase in the finance cost from the unwind of discount on the pension schemes. This is due to both an increase in the discount rate and changes in the size of the provision for the USS deficit payments over recent years.

Other gains and losses and comprehensive income

Loss on investments

The gain or loss on investments mainly reflects market value changes on the Oxford Funds. Although the objective of the Oxford Funds is to generate a 5% real return over the long term, short term fluctuations can lead to significant volatility in total investment gains/losses over a period of a few years as illustrated below.

Investment Gains/(Losses) £'m



The loss on investments of £165.3m in 2022/23 is driven by a £194.0m loss on the Oxford Funds due to market volatility over the year. The income statement, however, also includes the dividend of £147.4m in Investment income, and so the total return is a loss of £46.6m (1%). Further detail on the return generated by the Oxford Funds is included below under Investments. There was also a £16.3m loss on the Sequoia fund which was set up by Michael Moritz for the Crankstart scholarships.. This fund is heavily weighted to North American assets and the loss was largely due to the impact of a weakening of the US dollar.

The spinout portfolio generated a gain of £28.1m in the year. This mainly reflects a £32m gain on Oxa (formerly Oxbotica) which develops software for autonomous vehicles and had a successful funding round in December 2022.

There was also a £16.7m gain on investment properties with higher valuation on land that can be developed for residential property.

Changes in defined benefit pension scheme liability

The £30.4m loss represents the actuarial loss on the Press's defined benefit pension scheme. This was due to a fall in value of the plan assets over the year which was not fully offset by the beneficial effect of a rise in the discount rate applied to the defined benefit obligation.

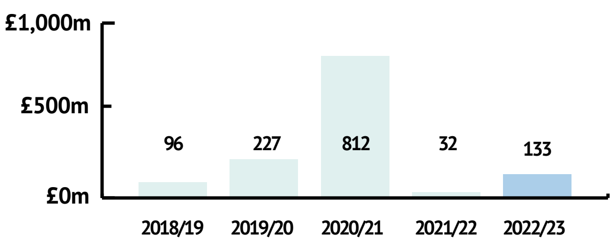
Currency translation differences

The £8.3m adverse currency translation differences mainly arise on the retranslation of the net investment in the Press's overseas subsidiaries.

Comprehensive income £132.6m

As a result of the above, total comprehensive income grew £100.9m to £132.6m.

Comprehensive Income £'m



Financial review 2022/23 – continued

Capital expenditure

The University invested £153.2m in additions to property, plant and equipment during the year. The most significant projects were the Stephen A. Schwarzman Centre for the Humanities (£58m) and Reuben College (£24m), both of which are currently under construction.

The Schwarzman Centre will serve as a dynamic hub dedicated to the humanities and will include performing arts and exhibition venues. Construction started in 2023 and the building is expected to open in 2025. The work on Reuben College includes extensive refurbishment to create new facilities for the University's 39th college and the museums and is approaching completion.

Construction work is underway on three projects under our partnership with Legal & General. The first of these, consisting of two new R&D buildings at Begbroke Science Park, is due to complete in 2023/24 and it is expected that a lease asset and liability of c.£100m will be recognised when we take delivery of the building.

Investments

The Oxford Endowment Fund invests assets for the very long term on behalf of the University, many of its colleges and some UK charities and is managed by Oxford University Endowment Management Ltd. At 31 July 2023, the Group's investment in the Oxford Endowment Fund amounted to £3.6 billion. The Oxford Endowment Fund's objective is to generate a 5% real return per annum over the long term and provide a sustainable income. For the 10 years to 31 July 2023, the Fund delivered an annualised net return of 8.2% nominal (5.3% real). In the year to 31 July 2023, there was a negative net return of -1.0% nominal (-7.9% real). The distribution for the year was £1.69 per unit (2021/22: £1.62). Further information on the Oxford Endowment Fund is found on www.ouem.co.uk.

The Capital Account holds units in bond portfolios and an equity index. The Capital Account's objective is to generate a 4.5% nominal return per annum over the long term in order to finance the University's medium-term investment needs. The Capital Account had a value of £568.0m at 31 July 2023 and generated an investment gain of £2.5m in the year then ended, representing a return of 0.6%.

The Sequoia fund had a value of £319.7m at 31 July 2023 and is managed by Sequoia Heritage. It was originally established to invest a donation from Michael Moritz to fund the Crankstart Scholarships Programme.

The University supports the incorporation of companies based on research and intellectual property developed at the University. At 31 July 2023, the Group held an equity share in 180 such companies with a carrying value totalling £215.9m (31 July 2022: £190.6m). In addition, the University holds a non-dilutive 5% stake in Oxford Science Enterprises (£60.3m) which also invests in spinouts emerging from the University's science departments.

The University holds a portfolio of investment properties which were valued at £333.5m at 31 July 2023 and include commercial, residential and agricultural properties in and around Oxford.

Pension schemes

The principal pension schemes the University participates in are the Universities Superannuation Scheme (USS), the University of Oxford Staff Pension Scheme (OSPS) and the Oxford University Press (OUP) Group scheme (for UK employees).

The USS and the OSPS are multi-employer schemes for which the assets and liabilities are not hypothecated to individual institutions. In accordance with FRS 102, the University recognises a provision for its obligation to contribute to the funding of any deficit arising within the scheme. Deficit recovery plans are based on formal actuarial valuations which are carried out every three years.

The most recent triennial valuation of the OSPS at March 2022 showed a surplus and, as a consequence, deficit contributions ceased from 1 October 2023. The OSPS provision has therefore fallen to £1.4m at 31 July 2023 (31 July 2022: £29.9m) representing the final two months' deficit payments.

The provision for the USS is £514.3m at 31 July 2023 and reflects the deficit recovery plan agreed based on the actuarial valuation as at 31 March 2020. A triennial valuation is being carried out as at 31 March 2023 but changes to the current package of benefits and to the contributions are not expected to be agreed until after the Financial Statements are published. It is currently anticipated that the valuation will show a surplus of c. £7 billion which would mean that the scheme is 111% funded (at 31 March 2020 the deficit was £14 billion). The deficit recovery contributions may therefore cease and, if this is the case, the remaining USS provision would be released to income in 2023/24.

The OUP Group scheme is a single employer defined benefit scheme. It was closed to future accruals from 30 September 2021 and was replaced by a defined contribution scheme. The liability recognised on the balance sheet at 31 July 2023 is £60.3m. A recovery plan was agreed following the 31 March 2021 triennial valuation which is intended to clear the technical provision deficit by July 2030.

Details of the University's provision are included in notes 28 & 37 to the financial statements.

Financial review 2022/23 – continued

Financing

The University is fortunate in having significant long-term funding in place at fixed interest rates. The University has £1,000m of unsecured bonds in issue which are listed on the London Stock Exchange. Interest is payable at 2.544% and the bonds are redeemable at their principal amount in 2117. At 31 July 2023, £179.5m remains outstanding on an original £200m bank loan which bears interest at a fixed rate of 2.55% and is being repaid over the term which runs until 2045.

Going concern

The University's Council has reviewed a financial forecast based on the forecast to be submitted to the Office for Students and has determined that the University has adequate resources to continue in operational existence for at least 12 months from the date of approval of the financial statements. Based on this determination, these statements have been prepared on a "going concern" basis.

Cashflow/Cash generation £'m	2022/23 Consolidated	2021/22 Consolidated Restated[1]
Net cash flows from operating activities	(3.1)	191.5
Cash flows from investing activities	(78.7)	(128.7)
Cash flows from financing activities	2.7	62.0
Net (decrease)/increase in cash and cash equivalents	**(79.1)**	**124.8**
Effect of foreign exchange rates	2.5	1.0
Cash and cash equivalents at the beginning of the year	727.2	601.4
Cash and cash equivalents at the end of the year	**650.6**	**727.2**

[1]Refer to note 23 for details of the restatement.

The net cash outflow from operating activities after taxation was £3.1m (2021/22: inflow £191.5m). The reduction from last year is explained by working capital movements. The 2021/22 operating cash flow benefited from significant increases in trade payables, research grant creditors and accruals over the year whereas these all declined in 2022/23.

The cash outflow on investing activities was £78.7m (2021/22: £128.7m). The outflow is mainly due to the property, plant and equipment capex of £151.5m net of capital grants received of £82.2m, and investment in software intangibles. The investment in property, plant and equipment in 2022/23 was £31.8m higher than in the prior year.

There was a £2.7m (2021/22: 62.0m) cash inflow from financing activities mainly due to endowment cash received of £56.5m offset by payments of interest and repayment of overdrafts. The inflow was lower than in 2021/22 because endowments received were lower and also because bank overdrafts increased in the prior year.

As a result, cash and cash equivalents fell £76.6m to £650.6m.

GOVERNANCE

The University of Oxford is a lay corporation first established in common law and later formally incorporated by statute. It has no founder and no charter and is an independent and self-governing institution. The wider collegiate University consists of the University and the thirty-nine colleges. This statement covers the period 1 August 2022 to 31 July 2023 and up to the date of approval of the audited financial statements.

Governing Bodies

Congregation
Congregation is the sovereign body of the University. It is composed of academic staff, heads and other members of governing bodies of colleges and societies, and other senior research, computing, library and administrative staff. Congregation is responsible for considering major policy issues submitted by Council and its own members. It elects members to different University bodies and approves changes to the University's statutes and regulations.

Council
Council is the University's executive governing body. It is responsible, under the Statutes, for "the advancement of the University's objects, for its administration, and for the management of its finances and property". It is therefore responsible for the academic policy and strategic direction of the University. Council is responsible to the Office for Students (OfS) for meeting the conditions of Financial Memorandum between the OfS and the University.

Council members are the University's charity trustees. In the academic year 2022/23, there were nine ex officio members, five external members, 11 elected members of the Congregation, one member of Congregation elected by Conference of Colleges and one co-opted member, making a total of 27 voting members.

The previous Vice-Chancellor, Professor Dame Louise Richardson demitted office on 31 December 2022 and the new Vice-Chancellor, Professor Irene Tracey CBE, commenced on 1 January 2023.

OUP Delegacy
This is the group of senior academics in charge of the affairs of the Press.

Conference of Colleges
The wider collegiate University consists of the University and the thirty-nine colleges.

These colleges (other than Kellogg College, Reuben College and St Cross College, which are formally classified as societies), and the five permanent private halls, are separate and independent legal entities.

Divisional Boards

Academic Divisions
There are four academic divisions within the University: Humanities; Social Sciences; Medical Sciences; and Mathematical, Physical and Life Sciences. Each division has a divisional board that is responsible for its division.

Gardens, Libraries and Museums
The Gardens, Libraries and Museums Group. This group comprises the four University museums, the Bodleian libraries and the Botanic Garden and Harcourt Arboretum. Each has a governing body prescribed by Statute or Regulation.

The Oxford University Press
A department of the University that publishes thousands of research and education titles a year.

Committees

Committees of Council
To advise Council and to make decisions under delegated powers as specified in their terms of reference, there are nine principal committees that report directly to Council:

- The Audit and Scrutiny Committee
- The Committee to Review the Salaries of Senior University Officers
- The Education Committee
- The Finance Committee
- The General Purposes Committee
- The Investment Committee
- The People Committee
- The Planning and Resource Allocation Committee
- The Research and Innovation Committee.

Governance – continued

Council

Council is required to take such steps, as it may consider necessary for the efficient and prudent conduct of the University's financial business, including taking steps to:

- ensure that there are appropriate controls in place to safeguard public and publicly-accountable funds and funds from other sources, to safeguard the assets of the University and to detect and prevent fraud and other irregularities;
- ensure that income has been accounted for in accordance with the University's Statutes, OfS terms and conditions of funding for higher education institutions, and the terms and conditions of research grant and other funding bodies;
- secure the economic, efficient and effective management of the University's resources and expenditure; and
- ensure that the University meets with the standards of financial sustainability, risk management, control and governance expected by the OfS and assessed in its annual accountability returns.

Council is required to approve the prepared financial statements, which include the accounts relating to the teaching, research and publishing activities of the University and the University's subsidiary undertakings. These give a true and fair view of the assets and liabilities of the University and the University's subsidiary undertakings at the end of the financial year and of their income and expenditure for the year under review.

Council has to be assured that suitable accounting policies have been selected and applied consistently.

It has to:

- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures being disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the University will continue to operate.

Council is also required to:

- ensure that the University upholds the public interest governance principles applicable to it;
- ensure that the University has in place adequate and effective management and governance arrangements;
- be accountable for and ensure compliance with the University's conditions of registration with the OfS;
- notify OfS of any changes needed in relation to its registration; and
- comply with the guidance published by OfS in relation to facilitating the electoral registration of students.

From time to time Council reviews its own effectiveness. Council's most recent self-review took place in the 2021/22 academic year. This took the form of a light touch review with a questionnaire, being issued to Council members and attendees, which had a series of questions and free text comment boxes for completion in relation to the remit, operation and effectiveness of Council with particular regard to equality, diversity and inclusion. Council received the report in Michaelmas Term 2022 and considered the recommendations. It approved a number of practical changes to enable more time for Council members to read papers in advance of the meeting. In 2023/24, a series of information sharing sessions will be established to enable more in-depth discussion of key topics arising from the main committee chairs.

Council is responsible for the maintenance and integrity of the corporate and financial information included on the University's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In accordance with the Modern Slavery Act 2015, the General Purposes Committee of Council (with delegated authority from Council) is required to approve the University's slavery and human trafficking statement for each financial year. The statement for this financial year is available at compliance.admin.ox.ac.uk/modern-slavery.

Governance – continued

The members of Council are the Charity Trustees of the University. Membership of Council from 1 August 2022 to 30 November 2023 was as follows:

Position	Name	Date
Ex officio members		
Vice-Chancellor	Professor Dame Louise Richardson Professor Irene Tracey	To 31 December 2022 From 1 January 2023
Chair of Conference of Colleges	Baroness Royall of Blaisdon, Principal of Somerville Dame Helen Ghosh, Master of Balliol College	To 30 September 2023 From 1 October 2023
Head of the Medical Sciences Division	Professor Gavin Screaton	Throughout
Head of the Mathematical, Physical and Life Sciences Division	Professor Sam Howison Professor James Naismith	To 30 September 2023 From 1 October 2023
Head of the Humanities Division	Professor Daniel Grimley	Throughout
Head of the Social Sciences Division	Professor Timothy Power	Throughout
Senior Proctor	Professor Jane Mellor Dr Kathryn Murphy	To 15 March 2023 From 15 March 2023
Junior Proctor	Dr Linda Flores Professor David Kirk	To 14 March 2023 From 15 March 2023
Assessor	Dr Richard Earl Professor Joseph Conlon	To 14 March 2023 From 15 March 2023
Elected by the Conference of Colleges		
	Mr Tom Fletcher, Principal of Hertford	From 1 October 2022
Elected by Congregation		
One of four members of Congregation elected by Congregation from members of the faculties in the divisions of Mathematical, Physical and Life Sciences and of Medical Sciences	Professor Fabian Essler Professor Richard Hobbs Professor Kia Nobre Professor Krina Zondervan Professor Alex Schekochihin Professor Proochista Ariana	To 30 September 2022 Throughout To 30 September 2023 From 1 October 2023 Throughout From 1 October 2022
One of four members of Congregation elected by Congregation from members of the faculties in the divisions of Humanities and of Social Sciences	Professor Aditi Lahiri Fra' John Eidinow Professor Sam Wolfe Professor Diego Sánchez-Ancochea Professor Cécile Fabre Professor Nandini Gooptu	To 30 June 2022 To 30 September 2023 From 1 October 2023 Throughout Throughout From 1 October 2022
One of three members of Congregation, not necessarily being members of any division and not in any case being nominated in a divisional capacity, who shall be elected by Congregation	Professor Sir Rory Collins Professor Patricia Daley Professor Sir Charles Godfray	Throughout Throughout From 1 October 2022
External members		
	Mr Charles Harman Mr Nicholas Kroll Sir Chris Deverell Ms Wendy Becker Ms Sharmila Nebhrajani	Throughout Throughout Throughout Throughout From 1 October 2022
Co-opted members		
	Professor Anne Trefethen	Throughout

Governance – continued

Committees of Council

Council is advised by a range of committees, including nine committees which report directly to it on core business.

The primary responsibilities of the nine committees are as follows:

The **Audit and Scrutiny Committee** reviews the adequacy and effectiveness of the University's arrangements for risk management, internal control, value for money, data quality and governance. It considers the annual financial statements, considers the appropriateness of the audit processes of the Press and receives an annual report from the Press Audit Committee; and, under Council, oversees the University's arrangements to detect and prevent fraud and irregularity. The Committee's remit also includes responsibility for the appointment of the University's external auditors (subject to Council's approval) and for the University's internal audit arrangements;

The **Committee to Review the Salaries of Senior University Officers** is responsible for making recommendations to Council on the salaries on appointment of the Vice-Chancellor, the Registrar and the Chief Financial Officer, for determining the salaries on appointment of the Pro-Vice-Chancellors with portfolio and the Heads of Divisions; and for reviewing the salaries of those office-holders thereafter;

The **Education Committee** is responsible for the educational philosophy, policy and standards of the University; and for the oversight of activities relating to teaching, learning and assessment; and student-related equality matters;

The **Finance Committee** is responsible for the consideration of the financial resources available to the University, and for recommending to Council the five-year financial strategy for the University, including overall income and expenditure budget, capital expenditure budget and expenditure on strategic capital investments. The Committee is also responsible for the review of the University's annual financial statements and the annual accounts of the Delegates of the Press;

The **General Purposes Committee** advises Council on policy in respect of issues or activities which are University-wide, and do not fall wholly within the remit of the other committees of Council. Its remit includes responsibility for keeping under review procedures for identifying and managing risks across the University's activities;

The **Investment Committee** is responsible, under Council, for the management of the University's investment portfolio;

The **People Committee** is responsible for the development and review of employment policies, for staff relations and all personnel and staff-related equality matters;

The **Planning and Resource Allocation Committee** is responsible for setting, and monitoring performance against, the University's annual income and expenditure budget; and for a three-year rolling capital budget for capital projects under £15m and centrally run IT projects; and

The **Research and Innovation Committee** is responsible for University policy relating to research, knowledge exchange, innovation, commercial and social entrepreneurship and public engagement with research; and facilitates the preparation of external reviews of the University's research.

Sign Off

Council confirms that it is responsible for ensuring that a sound system of governance is maintained. It has reviewed the effectiveness of these arrangements and confirms that the University's system of governance has been in place during the year ended 31 July 2023, and up to the date of approval of the audited financial statements.

CHARITABLE STATUS

The University's strategic priorities include a commitment to share knowledge with the wider world, thus providing public benefit and fulfilling the University's charitable objectives.

The University has charitable status as one of the exempt charities listed in Schedule 3 to the Charities Act 2011. It is therefore exempt from certain requirements of that Act, including the need to register with the Charity Commission. The Office for Students is the 'principal regulator' for charity law purposes of those English universities which are exempt charities.

The members of Council, the University's executive body, are the trustees of the charity. In that capacity they have had regard to the Charity Commission's guidance on public benefit and the supplementary guidance on the advancement of education, in particular, the key principles that there must be an identifiable benefit or benefits and that the benefit must be to the public or a section or sections of the public. Whilst students, both undergraduate and graduate, are immediate beneficiaries of the University's charitable objectives, the public as a whole benefits considerably from the contributions that the University's teaching and research make to society and the economy.

Further information about the University's activities over the last year can be found in the Annual Review, available on the University website at ox.ac.uk/about/organisation/annual-review.

The Annual Report of the Delegates of the University Press sets out how Oxford University Press ('the Press') has furthered the University's charitable purposes for the public benefit. This report is available at https://annualreport2023.oup.com/2022-23.

Any private benefit arising from commercially funded research and knowledge transfer activity is incidental to the University's principal objectives. The University's trustees are aware of their obligations in respect of these public benefit principles and ensure that the University has procedures and policies in place to cover the creation of intellectual property and the management of conflicts of interest.

STAKEHOLDER ENGAGEMENT

The University works with students, staff and stakeholders to enable it to progress towards achieving its strategic objectives.

Students

The University seeks to ensure that the welfare and development of students informs its strategy and operations. Council, the University's executive governing body, is attended by three student representatives; and four committees of Council – the Education Committee, the General Purposes Committee, the Research and Innovation Committee and the Planning and Resource Allocation Committee – are attended by student representatives. In addition, the Student Union is represented on the University's Socially Responsible Investment Review Committee. The Joint Sub-Committee with Student Members acts as the formal link between the University and the Student Union.

Staff

Holders of permanent academic posts and senior non-academic staff participate in the governance of the University through membership of Congregation – the sovereign body of the University. In addition, members of staff have the opportunity to be elected as members of Council.

Research funders

Research funding is a critical source of income to the University as well as a critical channel through which the benefits of research are shared. Relationships with our research funders and partners are built and managed by senior academic and research staff and supported by the University's Research Services department, the Development Office and the office of the Pro-Vice-Chancellor for Research and Innovation.

Office for Students

The Office for Students (OfS) is the University's regulator and a significant funder. The University is committed to ensuring it meets the requirements of the OfS in both of these roles.

The city and the local community

The Oxford Strategic Partnership, convened by Oxford City Council, includes representatives of the University, the county, the voluntary sector, businesses and public services. The Partnership is currently working on a programme to improve the economic, environmental and social conditions in Oxford. The University is particularly mindful of its responsibility towards the local community in ensuring that it is informed, consulted and involved where buildings and planning are concerned.

National Health Service

The University has worked productively with the NHS in the Thames Valley region for many years, including a long-established relationship with Oxford Health NHS Foundation Trust. In 2013, the University signed a Joint Working Agreement with its largest NHS partner, the Oxford University Hospital (OUH) NHS Foundation Trust.

Alumni

The University is working to increase and enhance engagement amongst its global network of alumni. The University helps alumni to connect with each other all over the world through the Oxford Alumni Community web platform. There are many ways in which alumni support the University, from the donation of time (as a mentor to a current student or as a speaker, for example) through to the provision of financial support.

UNDERSTANDING OUR RISKS

The University of Oxford has established risk management practices embedded into the core operations of the University (covering both academic and business risk), based on the principles of the ISO 31000 risk management standard.

Throughout the financial year 2022/23, the University has continued to embed risk management processes, improving its ability to identify, assess and manage risks across the organisation. The University Risk Register is regularly reviewed by the General Purposes Committee (GPC), the Audit and Scrutiny Committee (ASC) and Council to monitor the risk profile and ensure appropriate mitigations are in place

There is growing evidence of risk management making a difference and helping the University achieve its strategic ambitions. GPC noted significant progress has been made in developing both risk management protocols and culture. Examples of where risk analysis has led to resource allocation decisions include: health and safety, cyber security, anti-fraud, business continuity and digital transformation. The residual risk of inflation and business continuity have both reduced as a result. Risk analysis routinely informs assurance activity, including the development of the assurance map, the annual internal audit plan, and the prioritisation of control and compliance work.

Though risk management arrangements are improving, some risks are still exceeding target. The focus has therefore been on developing action plans to bring risks to targets consistent with the University risk appetite and strategic objectives. For each principal risk there is now a 12-month action plan and a longer-term plan if the target level is not expected to be achieved in one year. The Assurance Directorate will continue to work with committee chairs to ensure appropriate scrutiny and challenge of action plans to bring the risks to their respective targets.

Over the past year, the University has conducted business continuity and major incident response exercises. These have included testing the University's response to physical incidents, such as building failure, and cyber-attack, specifically ransomware. These exercises saw central services, divisions and departments working together to test and further develop plans and protocols, and in doing so reducing the risks.

In Hilary Term 2023, funding was secured through Digital Transformation Foundation phase for an assessment of the business requirements for enterprise risk management software including recommendations of potential solutions. The investigation was completed as planned and there is now a proposal being considered as part of the next phase of Digital Transformation for procurement and implementation of software to support both risk management and other governance, risk and compliance requirements.

The University's risk management policy has been reviewed and updated to better reflect the current risk profile and risk governance, the updates were approved at GPC on 26 June 2023. The risk appetite of the University and strategic risks will be reviewed alongside the development of the updated strategic plan in 2023/24.

Principal Risks

The University Risk Register contains 15 principal risks, defined as having a risk score of 15 or higher. This compares with 12 principal risks in the financial year 2021/2022). However, this does not reflect a simple increase in risk. Some risks have been redefined while others have been broken out into several new risks for greater granularity. The University Risk Register is dynamic and there have been numerous changes over the year, in itself a reflection that the risk management system is functioning.

Understanding our Risks – continued

The main changes in principal risks over the course of 2022/23 are summarised below:

RETURNED TO PRINCIPAL RISK[1] A more detailed description of the risk and mitigation plan is below. Principal risks are monitored at Council level.	**Planning, integration, and delivery of strategic change initiatives** **Staff immigration (visas)** **Staff wellbeing** **Financial Sustainability of Divisions**[2]
RISK DECREASED - CHANGED TO MEDIUM RISK[3] These risks and mitigation plans continue to be monitored at Committee and Divisional level.	**Business Continuity/Disaster recovery** **Recruitment** **Rewards and benefits**[4]
CHANGE OF RISK DESCRIPTION Over the course of the year the following risks have been redefined: '**Integration of centrally driven initiatives**' has been redefined as '**Planning, integration and delivery of strategic change initiatives**' '**Visas**' has been redefined as '**Staff immigration (visa compliance)'** '**Brand and partnerships'** has been redefined as '**Impacts from external relationships**'	

The principal risk areas related to the University's strategy and operations during 2022/23, as well as corresponding mitigations and actions, are described below; the risks are broadly aligned to the Strategic Plan themes and are not presented in a ranked order. The trend in residual risk level over 2022/23 is shown, highlighting which risks are new, and which remain unchanged as principal risks. Work continues to reduce the likelihood and/or impact of the 15 principal risks to bring each to an agreed target level.

[1] As described in the Statement of Internal Control, principal risks are those which reach the defined threshold for inclusion in the University Risk Register.

[2] To reduce overall financial risk, 3-5year plans for all divisions to achieve financial sustainability must be robust, realistic and consider the cost pressures, especially on physical and experimental sciences.

[3] Medium risks are those which are captured on one or more Committee or Division risk registers and monitored at that level but do not currently meet the threshold for inclusion on the University Risk Register for monitoring at Council.

[4] The demotion of this item is now under review in the current reporting cycle.

Understanding our Risks – continued

Strategic Plan Area[4] – Research and Education

Principal Risk	Action/Mitigation	Trend (highlights position at the end of 22/23)
Failure to meet Access and Participation Plan (APP) awarding targets for under-represented groups	• The Centre for Teaching and Learning is working to embed the inclusive teaching practices most commonly requested in Student Support Plans as the default practice at Oxford. • Exam boards are offered a greater range of choices for digital assessment. • New APP will be agreed during 2023-24 which may modify existing targets and/or introduce new streams of work.	↔ Unchanged Principal risk
Failure to attract the most able postgraduate candidates If the University is unable to provide sufficient financial support it may not be able to attract the most able students from all backgrounds.	• A number of successful graduate access and funding initiatives have been introduced and an overall graduate recruitment and access strategy is being developed in 2023/24.	↑ Increased Principal risk

Strategic Plan Area – People

Principal Risk	Action/Mitigation	Trend (highlights position at the end of 22/23)
Staff Wellbeing	• The wellbeing programme was launched in Autumn 2022, a number of activities ran through 2022/23 and a formal wellbeing strategy has been developed for future years.	↑ Increased Principal risk
Staff Immigration (visas) The risk that we are not compliant with visa legislation has increased due to significantly higher visa processing workload following the end of freedom of movement. The increased visa processing is also causing operational challenges in departments as it takes longer to secure visas for academic and research staff.	• The Staff Immigration Team have taken part in a FOCUS Service Review to identify efficiencies and reduce workload pressures and the securing of additional resources is being considered.	↑ Increased Principal risk

[4] Strategy, governance & leadership/Compliance, controls & operations are not defined strategic plan areas but are key to providing a secure foundation to enable the strategic plan, and to manage risks around our operational effectiveness, legislative requirements and protecting our brand.

Understanding our Risks – continued

Strategic Plan Area – Engagement & Partnerships

Principal Risk	Action/Mitigation	Trend (highlights position at the end of 22/23)
Impacts from External Relationships Risk of reputational or financial impact on the collegiate University due to activity by its constituent parts or by external organisations which are affiliated (or appear to be) with the University through association (authorised or unauthorised) with the University brand.	• Building formal and informal relationships, consulting, influencing and having advance visibility of potential areas of concern are key.	↔ Unchanged Principal risk

Strategic Plan Area – Resources

Principal Risk	Action/Mitigation	Trend (highlights position at the end of 22/23)
Investment in IT	• A comprehensive multi-year strategy for Digital Transformation has been developed. Phase 1 has been delivered in 2022/23 and the funding envelope agreed for Phase 2. • A new governance model for IT and IT funding has been agreed and will be implemented from MT23.	↔ Unchanged Principal risk
Building Failure	• A new Estates Strategy is due to be ratified in MT 23, including an approach to dealing with high-risk buildings.	↔ Unchanged Principal risk
Capital project cost inflation Inflation in the construction market in the second half of 2022 reached c.10%. This is expected to reduce to 3–4% per annum from 2023–28, however the number of projects able to be funded from available capital will continue to decrease as no return to pre-2022 prices is expected.	• Strategic Capital Steering Group ensure available funding is used most efficiently and manage the impact on the University's Estate Strategy and strategic goals. • The Client Guide to Capital Projects is being revised to reinforce need for minimal change and strong risk management.	↔ Unchanged Principal risk

Understanding our Risks – continued

Strategic Plan Area – Engagement & Partnerships

Principal Risk	Action/Mitigation	Trend (highlights position at the end of 22/23)
Inflation Risk that cost inflation increases further, or remains above controllable levels for a sustained period due to external economic factors, resulting in lower financial sustainability of core activity and failure to achieve budget.	• Through 2022/23, given the uncertainty around how future cost inflation might affect both pay and non-pay costs, an Inflation Mitigation Group (IMG) met regularly to consider the issues and develop action plans for agreement by PRAC. • A Value for Money programme is being developed, building on the recommendations of the IMG to explore savings and efficiencies in a number of areas of activity.	↓ Reduced Principal risk
Financial Sustainability of Divisions Risk that if one of constituent parts of the university is unable to achieve financial sustainability, this could result in either extended University-level financial support or long-term damage to the division's capabilities and reputation in research and education.	• Independent assessment of financial plans at divisional level has been undertaken to ensure they are achievable. • The University budget for 2023/24 has been agreed including divisional support from strategic funds. • Support for years 2 and 3 (to 2026) of the Planning Settlement has been agreed.	✸ NEW Principal risk

Strategic Plan Area – Compliance, controls & operations

Principal Risk	Action/Mitigation	Trend (highlights position at the end of 22/23)
Health & Safety Risk of non-compliance with health and safety policy, regulations, and legislation due to governance and operational management structures in place at the University leading to increased potential for accidents, non-compliance with legal requirements and reputational damage.	• The University safety management system, including assurance reporting, requires further development. Progress is being made toward higher levels of compliance with the legal obligations, and an overall reduction in risk to students, staff, and visitors. • The Safety Executive Group (SEG) has now been established and is leading on the revision of the safety management system. • Safety programme is in place. In addition to the work on establishing a safety management system there, actions are being undertaken to reinforce a positive safety culture ('Every Day Safe'). Success in this directly impacts upon how managers and others will engage with the renewed safety management system.	↑ Increased Principal risk

Understanding our Risks – continued

Strategic Plan Area – Compliance, controls & operations

Principal Risk	Action/Mitigation	Trend (highlights position at the end of 22/23)
Data protection Risk that private data or research material is exposed, either by accident or deliberate act, resulting in harm to one or more individuals, legislative and financial sanctions against the University, damage to reputation, and resource implications in ensuring timely reporting and investigation.	• The key focus of the Information Compliance team (ICT) is to work with the University to address this risk with the Information Security team also providing significant oversight. ICT representatives are integrated into each of the Divisions to provide support and improve practice and there are also data protection champions supporting their areas in improvements to data protection compliance. • There are a number of ongoing projects to ensure a proportionate and effective approach to compliance. There is also an extensive information security plan addressing data protection security risk. The Audit and Scrutiny Committee has focused on Data Protection and Information Security risks and a workshop updating on progress was held in January 2023. • As part of the changes to IT Governance from MT23, a new Information and Digital Committee has replaced the previous IT Committee and will be responsible for strategy and policy related to digital services and infrastructure, data, information, and cybersecurity including the Data Protection Strategic Plan.	↔ Unchanged Principal risk

Strategic Plan Area – Compliance, controls & operations

Principal Risk	Action/Mitigation	Trend (highlights position at the end of 22/23)
Cyber Incidents Risk that cyber incidents impact the confidentiality, integrity or availability of University information, due to the susceptibility of our people and processes and the vulnerabilities of our IT systems to unwelcome interest from foreign nation states and organised crime groups. This results in significant operational, financial and/or reputational impact (from the prolonged loss of systems due to e.g. ransomware), loss of personal data, or inability to gain cyber certifications required for research awards. The threat from cybercrime to the University of Oxford remains substantial. The National Cyber Security Centre (NCSC) continues to assess the UK education sector as high value targets. Research sponsors and collaborators are all improving their security standards and are expecting greater maturity from the university. High profile research continues to raise the profile of the university amongst cyber mal-actors.	• The University continues to focus on improving both our preventative controls and our incident response approach to cyber incidents. This included including live exercises, supported by NCSC, rehearsing the University's response by its Gold (strategic) and Silver (tactical) Teams. There is a programme of Information Security work planned out to 2025. • Improvements planned to the mandatory Information Security and Data Privacy training and completion monitoring and email infrastructure are now being implemented. • A cyber-security competency centre has been established under the Digital Transformation programme.	↔ Unchanged Principal risk

Understanding our Risks – continued

Strategic Plan Area – Compliance, controls & operations		
Principal Risk	**Action/Mitigation**	**Trend (highlights position at the end of 22/23)**
Compliance Failure Risk of failure of compliance or internal control in the University (excluding Health, Safety and Environment and Data Protection which are covered separately).	• The University produces compliance guidance and monitors centrally; implementation is at divisional and department/faculty/subsidiary/joint-venture level. • The University structure is complex, with many partnerships and overseas activities, as well as many specific compliance requirements leading to particular challenges in compliance. • Regular internal audits are undertaken. Investment has been made in a number of areas e.g. counter-fraud, health and safety, export controls, and work is under way to address areas of non- compliance; in a number of cases this requires delivery of multi-year programmes. • The overall compliance map will be reviewed in 2023/24. • Work is underway to define the requirements and secure the funding for digital Governance Risk and Compliance (GRC) tools in order to improve and simplify processes related to risk management and compliance across the organisation.	↔ Unchanged Principal risk
Planning, integration and delivery of strategic change initiatives The collegiate University is aiming to deliver a number of strategic initiatives in the next 2–5 years, with a risk that not all these activities can be accommodated by divisions and departments within the proposed timelines.	• The Services Subcommittee was formally created in 2022 and has led discussions about divisional and service priorities for the next three-year planning settlement period, including change priorities, The Strategic Services Review will be followed by development of an implementation plan to deliver strategic change.	↔ Unchanged Principal risk

Understanding our Risks – continued

New Risks

The following risks have been added to the University Risk Register during Michaelmas Term 2023.

Strategic Plan Area[5] – People		
Principal Risk	**Action/Mitigation**	**Trend (highlights position at the end of 22/23)**
Employee Relations and casework Complex employee relations casework brings a risk of legal, financial and reputational damage for the University.	• In 2023/24 there will be a review of policies, processes, systems and HR Business Partner staffing structures in relation to employee relations.	✸ NEW Principal risk

Emerging Risks

Emerging risks are those identified as unlikely to have a high impact in the current or next academic year but likely to have high impact in the 3 - 5 years after that, based on the existing control.

Two risks are being monitored as emerging:

Decline in surplus	Decline in surplus.There is a risk that the adjusted surplus before other gains declines in the future due to the challenges of the current funding model for UK higher education . The tuition fee for UK undergraduates has remained fixed since 2017 and has declined significantly in real terms with high cost inflation over the period. If this situation were to continue it could result in a long term decline in the University's reserves.
Supporting Entrepreneurship	The University has a reputation as an innovative global leader but in order to ensure it does not fall behind global competitors and become a less attractive destination for entrepreneurial academics' strategic initiatives to support and deliver opportunities to staff and student entrepreneurs are being developed.

Climate Related Risks

The University has implemented an Environmental Sustainability Strategy with ambitious net zero carbon and biodiversity net gain targets to reduce the contribution that our operations could be making to climate change and biodiversity loss.

When assessed under our agreed risk management framework climate change is not currently a principal risk to strategy or operations but there are risks that the University's research, teaching and operations will be impacted either directly by the effects of climate change or biodiversity loss or indirectly as a result of local, national or international climate-related policy changes. These risks are being monitored at the relevant Committees.

[5] Strategy, governance & leadership/Compliance, controls & operations are not defined strategic plan areas but are key to providing a secure foundation to enable the strategic plan, and to manage risks around our operational effectiveness, legislative requirements and protecting our brand.

STATEMENT OF INTERNAL CONTROL

The University's Internal Control Framework supports the delivery of its strategy and internal control objectives.

Objectives

The University's objectives for internal control are:

- to manage the principal risks to the efficient and effective achievement of the University's aims and objectives;
- to safeguard the assets for which Council is responsible, including public funds and other assets; and
- to ensure that liabilities incurred are recorded and managed effectively.

The University's internal control arrangements are also designed to prevent and detect corruption, fraud, bribery and other irregularities. This statement of internal control relates to the period covered by the financial statements, and the period up to the date of approval of the audited financial statements.

Control environment

Council accepts that it is neither possible nor desirable to build a control environment that is free from risk. There is a tension between the acknowledged advantages of the University's highly devolved operating model and the risks inherent in such a devolved structure. The devolved nature of authority and responsibility can present a challenge to the achievement of internal control. The University's system of internal control can therefore provide reasonable but not absolute assurance over the governance, operational, compliance, management, quality, reputational and financial risks to the University. The University's Financial Regulations set out processes designed to ensure the safeguarding of assets and the effective management of liabilities.

The University has established policies and supporting processes designed to prevent and detect corruption, fraud, bribery and other irregularities, however further work is required to bring the University's arrangements in line with best practice.

Review processes over internal control

Council is responsible for determining the system of internal control operated by the University and for monitoring its adequacy and effectiveness. It meets on average eight times a year to consider the strategic direction and effective administration of the University.

The Council receives regular updates from the Audit and Scrutiny Committee on internal control and the business of the Committee and reviews the University Risk Register, considering the effectiveness of controls and mitigation in the management of risk identification.

Audit and Scrutiny Committee is responsible for providing independent assurance to assist Council in fulfilling Council's responsibilities for ensuring the adequacy and effectiveness of the University's arrangements for:

- risk management;
- control;
- governance;
- economy, efficiency and effectiveness (value for money); and
- The management and quality assurance of data submitted to the Higher Education Statistics Agency, the Student Loans Company, and to the Office for Students and the other funding bodies.

The **Committee** meets four times a year and receives assurances on the design and effectiveness of internal controls on behalf of Council. To this end, the Committee agrees a programme of work for the internal audit function; receives regular reports from the internal auditors and from management on the adequacy and effectiveness of internal controls; receives reports from the external auditors; and agrees the actions necessary to implement recommended improvements, among other matters. It provides Council with termly reports on internal controls as part of its regular business updates.

General Purposes Committee (GPC) is responsible for reviewing the procedures for identifying and managing governance, management, quality, reputational and financial risks across the University. It is also responsible for the University's risk management arrangements. The GPC regularly reviews the University Risk Register.

PricewaterhouseCoopers LLP ('PwC') provides internal audit services for the University; the scope of these services excludes educational publishing activities carried out by the Press: the Press has its own internal audit function. PwC provides an annual opinion on the adequacy and the effectiveness of internal controls and risk management across the University.

Deloitte LLP ('Deloitte') provides external audit services for the University, including educational publishing activities carried out by the Press. Deloitte provides an annual opinion on whether funds (including public funds) have been applied for the intended purposes. The external auditors also refer in their annual report to any control deficiencies identified from the audit.

Statement of Internal Control – continued

The University of Oxford takes into account guidance set out by the Committee of University Chairs Higher Education Audit Committee's Code of Practice.

Risk management

The University's Risk Management Framework supports the delivery of the University's academic mission and its strategic priorities. The University's objectives for risk management are:

- to align risk management with the University's objectives;
- to appraise and manage risks and opportunities in a systematic, structured, timely manner and in accordance with the University's Risk Appetite Statement; to ensure that there is clear accountability and responsibility for risk within the University and that risks are managed at the most appropriate level.

Risk appetite

The University's statement of risk appetite guides the University's approach to and acceptance of risk.

University statement of risk appetite:

In pursuing its objectives, as expressed in its Strategic Plan and elsewhere, the University will generally accept a level of risk proportionate to the expected benefits to be gained, and the scale or likelihood of damage.

The University has a high appetite for risk in the context of encouraging and promoting critical enquiry, academic freedom, freedom of expression, and open debate.

The University has a very low appetite for risk where there is a likelihood of significant and lasting reputational damage; significant and lasting damage to its provision of world-class research or teaching; significant financial loss or significant negative variations to financial plans; loss of life or harm to students, staff, collaborators, partners or visitors; or illegal or unethical activity.

Risk assessment

Risk identification and assessment is undertaken at subsidiary, department/faculty, divisional, professional services, key project and core Committees of Council level, with risks considered as part of the annual planning cycle and principal risks escalated through to General Purposes Committee, Audit and Scrutiny Committee and Council according to defined thresholds of impact and likelihood. Standardised impact/likelihood score descriptors are used to ensure consistency of risk scoring.

Risk treatment

Treatment of risk is agreed according to the University's risk appetite. Council recognises that risk management cannot eliminate all risk, particularly where risks are outside the University's control, and a higher level of tolerance is actively promoted in the context of encouraging and promoting critical enquiry, academic freedom, freedom of expression and open debate.

Risk recording and reporting

The University Risk Register captures the key risks to achieving the mission and vision, as well as other notable risks, and considers the effectiveness of risk mitigation and internal controls.

Risks from the Committee and the other risk registers across the University are considered for inclusion in the University Risk Register according to a defined assessment methodology and thresholds.

The General Purposes Committee, Audit and Scrutiny Committee and Council review the University Risk Register twice a year, with the other risk registers (Committee, Divisional) also reviewed with the same frequency.

Lines of defence

The three lines of defence form an integral part of the risk and assurance framework.

1st line of defence The first line of defence comprises departments, faculties, services and process owners whose activities create and manage the risks that can facilitate or prevent the University's objectives from being achieved. This includes taking acceptable risks in pursuit of the academic mission. The first line owns the risk, and the design and execution of the University's controls to mitigate those risks.

2nd line of defence The second line of defence's role is the design and maintenance of frameworks, policies, procedures and guidance that support risk and compliance to be managed in the first line. It is also responsible for monitoring and judging how effective the first line is operating and is more commonly referred to as functional oversight. This function is performed by a number of central functions (e.g. Assurance, Finance, HR, Safety Office) as well as the standing principal committees of the Council (e.g. Personnel, Research and Innovation).

3rd line of defence The third line of defence provides independent assurance that management operate an effective framework of controls to manage risk and that governance is appropriate around management of risk. The third line is directed by the Audit and Scrutiny Committee and has organisational independence from management. Currently, the main tool being used is the internal audit programme (PwC).

Statement of Internal Control – continued

Monitoring and review

Risk management underpins the University's programme of internal audit work and is embedded as part of the University's annual planning processes. The University's risk management arrangements ensure that a wide range of risk including the business, operational and compliance risk as well as financial risk are identified, assessed and captured on the relevant risk registers, with Divisional Boards, Committees and the Council providing the required monitoring and oversight. The University's risk arrangements are being continuously improved and the direction of travel is informed by best practice/ industry standards.

Oxford University Press (OUP), the 'Press'

The Finance Committee of the Press is responsible under Council for the Press's **system of risk management and internal control** and for reviewing its effectiveness. The Press's system of internal controls is designed to manage rather than eliminate the risk of failure to meet the operational objectives, and inevitably can only provide reasonable and not absolute assurance against material misstatement or loss.

Finance Committee of the Press **regularly reviews the effectiveness of the Press's system of internal control.** The Finance Committee's monitoring covers all controls including financial, operational and compliance controls. It is based primarily on reviewing reports from management to consider whether significant risks are identified, evaluated, managed and controlled, and whether any significant weaknesses are promptly remedied or need extensive monitoring.

Audit Committee of the Press receives reports on internal control from the Press internal audit function and reports regularly to the Finance Committee of the Press and annually to the University Audit and Scrutiny Committee.

The Press's risk management system

The Press has implemented a global risk-based approach to the design, application and review of its risk management systems and internal controls. The Press's risk assessment practices are incorporated into its wider business planning, budgeting and financial reporting processes. A risk register has been developed for all of the Press's operations, including major overseas branches and subsidiaries; this register identifies evaluates and manages all the material risks facing the Press.

The Finance Committee of the Press regularly reviews the effectiveness of the Press's system of risk management. The University's Finance Committee reviews the effectiveness of the Press's system of risk management, and this is also reviewed by the University's Audit and Scrutiny Committee.

Sign off

Council confirms that it is responsible for ensuring that a sound system of internal control is maintained. It has reviewed the effectiveness of these arrangements and confirms that the University's system of internal control has been in place during the year ended 31 July 2023, and up to the date of approval of the audited financial statements. The system of internal control has generally been operating as intended.

The Audit and Scrutiny Committee is of the opinion that the Statement of Internal Control, as incorporated in the financial statements, contains an accurate description of the principal features of the University's system of risk management and internal control.

INDEPENDENT AUDITOR'S REPORT

Independent auditor's report
to the members of University of Oxford

Report on the audit of the financial statements

1. Opinion

In our opinion the financial statements of University of Oxford (the 'university') and its subsidiaries (together, the 'group'):

- give a true and fair view of the state of the group's and university's affairs as at 31 July 2023 and of the group's and the university's income and expenditure, gains and losses and changes in reserves and cash flows for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Statement of Recommended Practice: Accounting for Further and Higher Education..

We have audited the financial statements which comprise:

- the consolidated and university statement of comprehensive income;
- the consolidated and university statement of changes in reserves;
- the consolidated and university statement of financial position;
- the consolidated statement of cash flows;
- the statement of accounting policies;
- the related notes 1 to 39; and
- the US Loans Schedule (note 40), the supplementary schedule for the US Department of Education, being required by reference to University of Oxford accepting students under the US Department of Education student financial assistance programs.

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) and the Statement of Recommended Practice: Accounting for Further and Higher Education (2019).

2. Basis for opinion

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

We are independent of the group and the university in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services provided to the group and the university for the year are disclosed in note 11 to the financial statements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the group or the university.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independent Auditor's Report – continued

3. Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: ▶ Pension scheme valuation assumptions; ▶ Capitalisation of expenditure on property, plant and equipment and intangible assets; ▶ Valuation of unlisted spin-out investments; and ▶ Income from new donations and endowments.
Materiality	The materiality that we used for the group financial statements was £50m which was determined on the basis of 1% of net assets. A lower materiality was used with respect to the academic and trading operations of the group of £25m which was determined on the basis of 0.9% of total income before donations.
Scoping	Our full scope audit and specified procedures covered 89% of group income, 92% of group surplus before other gains and 98% of group net assets.
Significant changes in our approach	We have reassessed our materiality taking into consideration the focus of stakeholder interest in the stewardship of the university's resources to ensure long-term sustainability and to enable it to provide additional support for its core priorities. A lower materiality was used with respect to the academic and trading operations of the group reflecting the increased focus on these activities. We have also reassessed our risk assessment and concluded that valuation of the investment in the Oxford Funds and valuation of directly held property investments are no longer key audit matters.

Independent Auditor's Report – continued

4. Conclusions relating to going concern

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

Our evaluation of the governing body's assessment of the group's and university's ability to continue to adopt the going concern basis of accounting included:

- Review and challenge of the group's forecast by considering the historical accuracy of previous forecasts, and by assessing whether their assumptions are reasonable given the current economic environment;
- Evaluation of the university's financial position, including the size and liquidity of its investment portfolio;
- Evaluation of forecast loan covenant compliance;
- Assessment of sensitivity analyses to understand whether there are realistic scenarios where the university would have insufficient liquidity to continue its operations;
- Evaluation of post year end performance in comparison to forecasts; and
- Assessment of the appropriateness of the disclosures in the financial statements.

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

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

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report – continued

5.1. Pension Scheme valuation assumptions	
Key audit matter description	The university participates in three principal pension schemes, two of which have material pension liabilities at year end. These are the Universities Superannuation Scheme (USS) and the Oxford University Press Group Scheme (OUPGS). The audit of the associated pension scheme obligations requires the assessment of significant estimates made by the university and takes a significant amount of audit effort. For these reasons we identified this area as a key audit matter. The USS is a multi-employer scheme with a large deficit in the 2020 valuation, the most recent valuation in effect at the balance sheet date. The latest recovery plan includes deficit contributions, which must be accounted for similarly to an onerous contract, with a liability recognised for the net present value of the future deficit payments. The provision for the USS pension deficit recovery plan (Note 28) has decreased from £586.7m at 31 July 2022 to £514.3m at 31 July 2023. Consistent with the previous year, the macroeconomic environment makes the provision sensitive to changes in assumptions and there continues to be a greater degree of uncertainty associated with key assumptions, in particular the pay rise assumption due to the current high levels of inflation and increased wage uncertainty. The provision is calculated by the university in line with the guidance and models provided by the British Universities Finance Directors' Group (BUFDG). The OUPGS scheme is a defined benefit pension scheme which is currently in deficit. There are a range of assumptions that underpin the deficit which can have a material impact on the deficit reported in the financial statements. The net deficit of the OUPGS has increased from £35.1m at 31 July 2022 to £60.3m at 31 July 2023. With respect to the liabilities, management's key assumptions include the scheme discount rate 5.35% (2022: 3.55%), RPI inflation 3.30% (2022: 3.25%), and the related pay increase and pension increase assumptions. Details of the USS deficit provision can be found in note 28 to the financial statements. Details of the OUPGS deficit and the sensitivity analyses prepared by management can be found in note 37 to the financial statements. The valuation of the USS deficit is discussed in the Financial Review on page 32. Further information on the related judgements and estimates is provided in the "Accounting Judgements and Estimates" note.
How the scope of our audit responded to the key audit matter	USS Pension deficit liability ► We obtained an understanding of the relevant controls over the key assumptions applied in the model. ► With involvement of our actuarial specialists, we evaluated the discount rate used. We challenged management's estimates around headcount and salary changes, by examining the accuracy of past estimates, and the consistency of these estimates with other forecasts and plans within the university, as well as comparing them with external data such as the latest Bank of England inflation forecasts. ► We considered adequacy of the related accounts disclosures. Oxford University Press Group Scheme deficit ► We obtained an understanding of the relevant controls associated with determining the assumptions that underpin the valuation of the funded obligations. ► We involved our pension audit specialists to assess the reasonableness of the assumptions and independently check the valuation of the funded obligations. ► We assessed the adequacy of the related accounts disclosures.
Key observations	Based on the work performed we are satisfied that the valuations of the USS deficit liability and the OUPGS deficit are appropriate.

Independent Auditor's Report – continued

5.2 Capitalisation of expenditure on property, plant and equipment and intangible assets	
Key audit matter description	The group continues to invest in significant improvements to buildings, the related equipment and machinery and intangible assets, specifically software. The group recognised a total of £153.2m (2022: £120.5m) of additions to property, plant and equipment of which £121.5m (2022: £89.2m) were additions to assets in the course of construction in the year to 31 July 2023, as disclosed in note 15 to the financial statements. The group also recognised a total of £36.6m (2022: £30.5m) of additions to software, as disclosed in note 14 to the financial statements. There is a judgement as to whether the expenditure included in this amount correctly meets the definitions of capital spend under FRS 102. Inappropriate accounting judgements could be utilised as a method to fraudulently manipulate the financial statements by capitalising amounts which should be recognised as expenditure. Details of the accounting policies applied are set out in the statement of accounting policies. Capital expenditure is discussed in the financial review on page 32.
How the scope of our audit responded to the key audit matter	► We obtained an understanding of the relevant controls over capitalisation of fixed and intangible assets. ► We tested a sample of additions to property plant and equipment and intangible assets and challenged management's judgement as to whether these specific additions represented capital items by assessing the nature of the additions against the criteria set out in FRS 102.
Key observations	Based on the work performed we are satisfied that the capitalisation of expenditure is appropriate.

Independent Auditor's Report – continued

5.3.Valuation of unlisted spin-out investments	
Key audit matter description	The £215.9m (2022: £190.6m) of spin-out investments in Note 17 contains both listed and unlisted investments. Spinout investments are those in companies that have arisen from university research activities, and generally represent small holdings in early-stage-lifecycle companies. As disclosed in the Statement of Accounting Policies (subsection 12), the university holds its investment in unquoted companies at fair value where there has been a recent trade. Where management concludes there is no reliable measurement of fair value, unlisted equity investments are held at cost less impairment. Where a reliable fair value had previously been available, but can no longer be determined, the previous value is deemed to be the cost for the purpose of measuring the asset on a cost less impairment basis. There are judgements involved as to whether sufficient information is available to measure the unlisted investment at fair value, and also as to whether there are any impairments required in this class of investments. The level of subjectivity in these judgements means that we identified the valuations as a potential area for fraud. Further details on spin-out investments are included on page 32 of the financial review.
How the scope of our audit responded to the key audit matter	► We obtained an understanding of the relevant controls over the valuation method and assumptions. ► We challenged whether the university's assessment as to whether fair value could or could not be reliably determined for a sample of unlisted spin-out investments was appropriate by obtaining evidence of whether there had been recent funding rounds, and by examining whether the circumstances of the investment meant that it was reasonable to conclude that sufficient reliable data was available to calculate a reliable fair value. For those investments which are held at fair value we have evaluated management's methodology to assess whether this is in line with FRS 102. We have also challenged management's valuation assumptions with reference to the valuation as at the most recent trade, by examining recent investee information including the latest financial forecasts, progress to milestones and market movements since the most recent trade. We also sought, where relevant, consideration of the performance of appropriate comparator companies and wider industry trends. ► We examined the key assumptions relating to potential impairment of spin-out investments held at cost and considered whether any further impairments were required; we did this through examination of recent investee information including the latest financial forecasts, and progress to milestones and, where relevant, consideration of the performance of appropriate comparator companies and wider industry trends.
Key observations	Based on the work performed we are satisfied that the valuation of unlisted spin-out investments is appropriate.

Independent Auditor's Report – continued

5.4. Income from new donations and endowments	
Key audit matter description	Each year the university receives significant new donations and endowments. As detailed in note 8, the group recognised £183.7m in 2023 (£103.8m in 2022). The Statement of Recommended Practice for Further and Higher Education (2019) lays out the decision tree for how these should be treated in the financial statements. In practice there are often complex judgements required both with respect to the classification of the donation/endowment, but potentially also to the timing of the recognition of the donation/endowment. This is because there can be terms and conditions attached to gift agreements that are complex to interpret and can influence the accounting for the gift. As management's judgements could have a material impact on the performance of the group, we have concluded that this matter is a potential area for fraud. The accounting policies are set out on in section 5 of the statement of accounting policies. Further analysis is given on page 30 of the financial review.
How the scope of our audit responded to the key audit matter	► We obtained an understanding of the relevant controls over the classification and cut-off of donations and endowments. ► We tested a sample of new donations and endowments and assessed classification and cut-off of the amounts recognised. This included obtaining an understanding of the nature of the arrangements in respect of sampled donations and endowments and obtaining supporting documentary evidence.
Key observations	Based on the work performed we are satisfied that the treatment of income from new donations and endowments is appropriate.

Independent Auditor's Report – continued

6. Our application of materiality

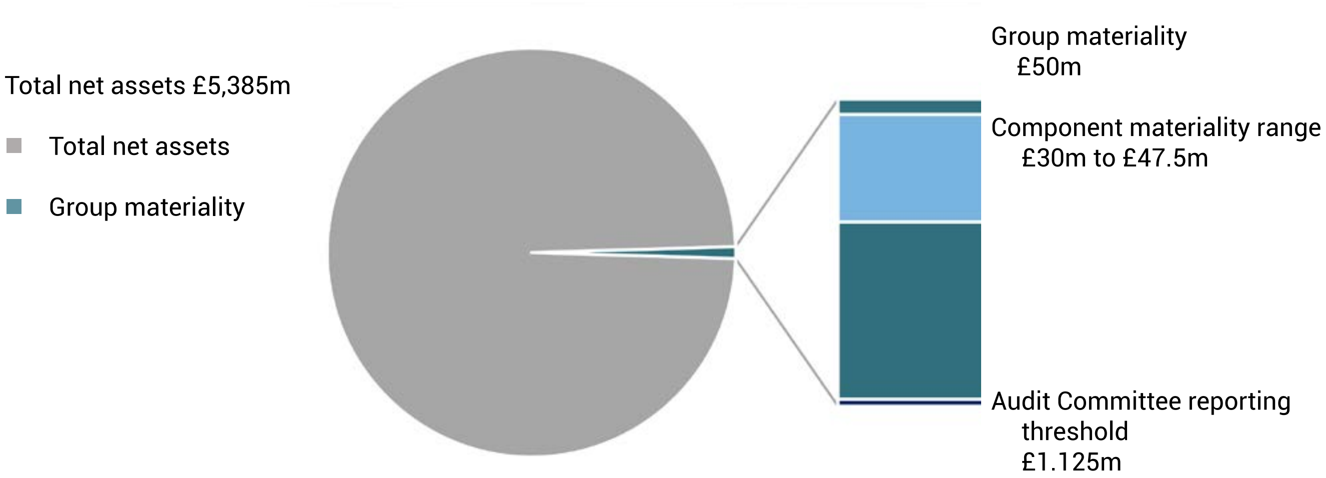
6.1.Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	University financial statements
Materiality	£50m (2022:£23.25m)	£47.5m (2022:£21.45m)
Basis for determining materiality	We determined materiality for the group to be £50m and university £47.5m which is based on 1% of net assets of group or university (2022: 1% of total group and university income before donations). We have determined that users are sensitive to account balances relating to the academic and trading operations of the group which impact the group's deficit/surplus before other gains. As such we have determined a lower materiality for these account balances of £25m for group and £23.75m for the university, based on 0.9% of total income before donations. We consider that total income before donations reflects the underlying performance of the business and is one of the key metrics for users of the financial statements.	
Rationale for the benchmark applied	We reassessed the benchmark used for determining materiality as we consider that the main focus of stakeholder interest to be the stewardship of the university's resources to ensure long-term sustainability and to enable it to provide additional support for its core priorities, and as such have identified the net assets of the group to be the appropriate benchmark.	

The amounts disclosed in note 38, Access and Participation expenditure of £17.5m (2022: £14.1m), have been audited to a lower materiality of £0.7m. This is due to the importance of this information to the regulator, the Office for Students, as a key user of the financial statements. This lower materiality was determined on the basis of 5% (2022: 5%) of the total expenditure disclosed in that note.



Independent Auditor's Report – continued

6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	University financial statements
Performance materiality	60% (2022:60%) of group materiality	60% (2022:60%) of university materiality
Basis and rationale for determining performance materiality	In determining performance materiality, we considered the following factors: ► the quality and maturity of the control environment, including consideration of the areas where we identified significant deficiencies in internal control in prior year; ► management's willingness to investigate and correct misstatements identified in the audit; ► the nature, volume and size of misstatements corrected and/or uncorrected identified in the previous audit; and ► the level of turnover of management and key accounting personnel.	

6.3. Error reporting threshold

We agreed with the Audit and Scrutiny Committee that we would report to the Committee all audit differences in excess of £1.125m (2022: £1.15m), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit and Scrutiny Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1 Identification and scoping of components

Our audit was scoped by obtaining an understanding of the nature of the university and its subsidiaries and assessing the risks of material misstatement at the group level.

As disclosed in section 22 of the Statement of Accounting Policies, the university was formally incorporated under the name of "The Chancellor, Masters and Scholars of the University of Oxford" ("CMS"). Although the university is a single legal entity, we identified that it comprises two main components: Oxford University Press (OUP) and all other departments (sometimes referred to as the "academic university"). These components of the university operate under separate control environments and between them they have 59 wholly-owned subsidiaries and one other subsidiary as at 31 July 2023.

Additionally, OUP itself comprises several sub-components. These can be summarised as:

- the UK and US operations (legally part of CMS);
- the Delegates Property Reserve Fund (DPRF) (substantially all of which is legally part of CMS);
- other unincorporated branches (legally part of CMS); and
- other subsidiaries which are legally separate.

The scope of our audit is summarised in the table below. The full scope audits are in line with those included in the previous year. We have also performed audits of specific account balances, classes of transactions and disclosures for the Delegates

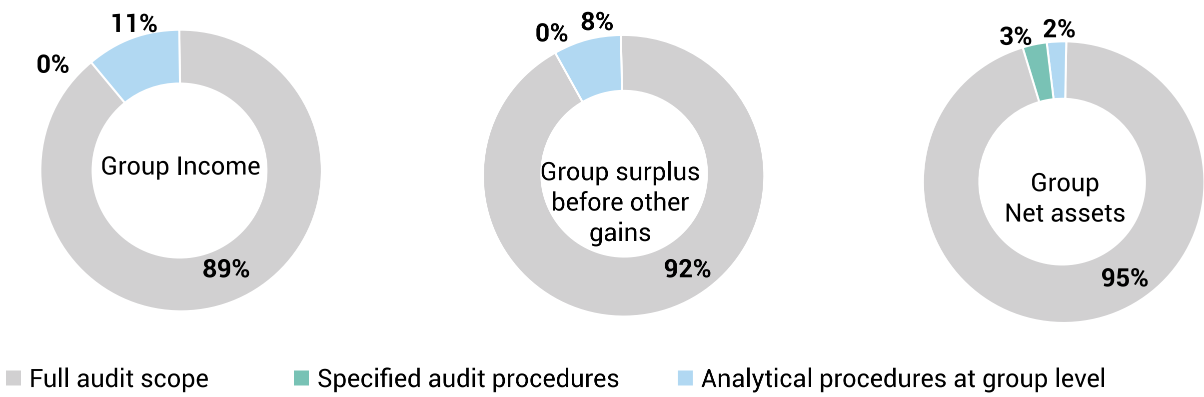
Independent Auditor's Report – continued

Property Reserve Fund (part of the OUP departmental entity) in line with prior year. In the current year we have not performed specific audit procedures for transactions related to Astra Zeneca within Oxford University Innovation Ltd given these transactions were insignificant to the group in current year.

All audit work relevant to the group audit was performed in the UK. The group audit partner attended key meetings with the component audit team. Additionally, the group engagement team issued the component team with appropriate instructions, were involved in their risk assessment, and reviewed key audit documentation.

At the group level, we tested the consolidation process and for components not subject to detailed audit work, we performed analytical procedures to confirm our conclusion that there were no significant risks of material misstatements in the aggregated financial information.

Component	Component Materiality / Lower Component Materiality	Scope
The "Academic University"	£45m/£22.5m	Full scope audit performed by group audit team
OUP UK operations	£30m/£16m	Full scope audit performed by component audit team
OUP US operations	£30m/£14m	Full scope audit performed by component audit team
OUP DRPF	£30m/£14m	Audit of specified account balances, classes of transactions and disclosures – focussed on cash and fixed assets, performed by component audit team.
All other group entities	£50m/£25m	Analytical procedures at group level.



Independent Auditor's Report – continued

7.2 Our consideration of the control environment

We have identified three key IT system relevant to the audit:

- OracleR12, which is the academic university's general ledger system
- SITS, which is the adacemic university's sudent fee income system
- SAP, which is OUP's general ledger system

We involved our IT specialists to obtain an understanding of the IT environment and general IT controls within the underlying systems.

We obtained an understanding of relevant controls relating to tutition fees and education contracts, research grants, donations and endowments, staff costs, operating expenditure, intangible assets and property, plant an equipment, investment in spinout companies, investment properties, investments in the Oxford Funds and cash and cash equivalents and USS and OUPGS pensions.

In line with our plan, we did not take a controls reliance approach on any balance or business cycle.

7.3 Our consideration of climate-related risks

As part of our audit we have held discussions with management to understand and evaluate their process for assessing the impact of climate change on the group and its financial statements and considered their environmental sustainability strategy included on pages 24-25 of the annual report. As disclosed on page 47 of the annual report the group has not identified climate change as a principal risk.

Management considers that the impact of climate change does not give rise to a material financial statement impact.

We have read the annual report to consider whether the climate related disclosures on pages 24-25 are materially consistent with the financial statements and our knowledge obtained in the audit.

8. Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The governing body is responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements. 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.

9. Responsibilities of the govering body

As explained more fully in the governing body's responsibilities statement, the governing body is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the governing body determines 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 governing body is responsible for assessing the group's and the university'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 governing body either intends to liquidate the group or the university or to cease operations, or has no realistic alternative but to do so.

10. 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent Auditor's Report – continued

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

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

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the group's remuneration policies, key drivers for governing body remuneration, bonus levels and performance targets;
- results of our enquiries of management, internal audit and the Audit and Scrutiny Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the group's sector;
- any matters we identified having obtained and reviewed the group's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and relevant internal specialists, including real estate, pensions, IT and forensic specialists, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in capitalisation of expenditure on property, plant and equipment and intangible assets, the valuation of unlisted spinout investments and income from new donations and endowments. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Office for Students "Regulatory Advice 9: Accounts Direction", the relevant provisions of the code of financial regulations relating to the supplemental schedule and the Higher Education Act.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included the group's conditions of registration with the Office for Students.

11.2. Audit response to risks identified

As a result of performing the above, we identified capitalisation of expenditure on property, plant and equipment and intangible assets, the valuation of unlisted spinout investments and income from new donations and endowments as key audit matters related to the potential risk of fraud. The key audit matters section of our report explains these matters in more detail and also describes the specific procedures we performed in response to those key audit matters.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the Audit and Scrutiny Committee and in-house legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports, reviewing correspondence with the Office for Students; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and

Independent Auditor's Report – continued

evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. Opinions on other matters prescribed by the Office for Students (OfS) "Regulatory Advice 9: Accounts Direction"

In our opinion, in all material respects:

- funds from whatever source administered by the university for specific purposes have been applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the OfS and UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions; and
- the requirements of the OfS's accounts direction have been met.

13. Matters on which we are required to report by exception

13.1. Matters required under the OfS Accounts Direction

Under the OfS Regulatory Advice 9: Accounts Direction, we are required to report in respect of the following matters if, in our opinion:

- the provider's grant and fee income, as disclosed in the note 1 to the accounts, has been materially misstated; or
- the provider's expenditure on access and participation activities for the financial year, as disclosed in note 38 to the accounts, has been materially misstated.

We have nothing to report in respect of these matters.

14. Other matters which we are required to address

14.1. Auditor tenure

Following the recommendation of the Audit and Scrutiny Committee, we were appointed by the governing body on 2 December 2019 to audit the financial statements for the year ending 31 July 2022 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is two years, covering the years ending 31 July 2022 to 31 July 2023.

14.2. Consistency of the audit report with the additional report to the audit and scrutiny committee

Our audit opinion is consistent with the additional report to the Audit and Scrutiny Committee we are required to provide in accordance with ISAs (UK).

15. Use of our report

This report is made solely to the governing body in accordance with the charter and statutes of the university and the Accounts Direction issued by the Office for Students dated 25 October 2019. Our audit work has been undertaken so that we might state to the governing body those matters we are required to state to it 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 board of governors as a body, for our audit work, for this report, or for the opinions we have formed.

Zahir Bokhari, FCA (Senior Statutory Auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

19 December 2023

FINANCIAL STATEMENTS

Consolidated and University Statement of Comprehensive Income

For the year ended 31 July 2023

	Note	Consolidated 2022/23 £'m	Consolidated 2021/22 £'m	University 2022/23 £'m	University 2021/22 £'m
Income					
Tuition fees and education contracts	2	504.2	466.9	481.9	448.3
Funding body grants	3	229.2	206.1	229.2	206.1
Research grants and contracts	4	789.0	711.4	786.6	711.9
Publishing services	5	753.0	743.1	598.0	640.1
Other income	6	281.9	411.1	244.2	335.2
Investment income	7	180.5	130.1	171.2	126.6
Total income before donations		**2,737.8**	**2,668.7**	**2,511.1**	**2,468.2**
Donations and endowments	8	183.7	103.8	180.9	105.0
Donation of assets	8,16	3.2	2.9	3.2	2.9
Total Income		**2,924.7**	**2,775.4**	**2,695.2**	**2,576.1**
Expenditure					
Staff costs – excluding movement in pension deficit funding provisions	9	1,238.1	1,167.4	1,169.2	1,094.3
Staff costs – movement in pensions provision	9,28	(118.1)	368.6	(118.3)	364.7
Total staff costs		1,120.0	1,536.0	1,050.9	1,459.0
Operating expenditure	11	1,274.5	1,198.8	1,144.6	1,093.3
Depreciation/amortisation	11,14,15	132.7	124.7	128.4	119.9
Interest and other finance costs	10	54.0	37.5	53.6	37.5
Total Expenditure		**2,581.2**	**2,897.0**	**2,377.5**	**2,709.7**
Surplus/(deficit) before other gains		**343.5**	**(121.6)**	**317.7**	**(133.6)**
(Losses)/gains on disposal of fixed assets		(2.2)	17.0	(7.4)	17.0
(Losses) on investments	7	(165.3)	(4.6)	(161.5)	(5.2)
Share of (deficit) on joint ventures	18	(2.7)	(4.1)	(2.7)	(4.6)
Surplus/(deficit) before tax		**173.3**	**(113.3)**	**146.1**	**(126.4)**
Taxation	12	(3.6)	(3.3)	3.7	1.2
Minority interest		(0.2)	(0.5)	-	(0.5)
Surplus/(deficit) after tax		**169.5**	**(117.1)**	**149.8**	**(125.7)**
Other Comprehensive Income					
Changes in defined benefit pension scheme liability	28	(30.4)	150.3	(30.4)	150.3
Currency translation differences on foreign currency net investments		(8.3)	3.9	9.8	3.3
Effective portion of changes in fair value of cash flow hedges		1.8	(5.4)	1.8	(5.4)
Total Comprehensive Income		**132.6**	**31.7**	**131.0**	**22.5**
Represented by:					
Unrestricted comprehensive income for the year		80.9	(54.2)	92.1	(62.7)
Endowment comprehensive income for the year	30	(23.7)	82.6	(19.5)	84.3
Restricted comprehensive income for the year	31	75.3	3.8	58.4	1.4
Non-controlled interest for the year		0.1	(0.5)	-	(0.5)
		132.6	**31.7**	**131.0**	**22.5**

The accompanying notes form part of these financial statements.

Consolidated and University Statement of Changes in Reserves

For the year ended 31 July 2023

Consolidated	Endowment Reserves		Income and Expenditure Reserves		Total excl Non-Controlling Interest	Non-Controlling Interest	Total Group
	Permanent £'m	Expendable £'m	Restricted £'m	Unrestricted £'m	£'m	£'m	£'m
Balance at 1 August 2021	**1,230.9**	**388.2**	**148.6**	**3,452.0**	**5,219.7**	**1.0**	**5,220.7**
Surplus / (Deficit) after Tax	**27.2**	**51.4**	**3.8**	**(199.0)**	**(116.6)**	**(0.5)**	**(117.1)**
Other comprehensive income	-	-	-	148.8	148.8	-	148.8
Reserves transfer	1.0	3.0	-	(4.0)	-	-	-
Balance at 31 July 2022	**1,259.1**	**442.6**	**152.4**	**3,397.8**	**5,251.9**	**0.5**	**5,252.4**
Surplus / (Deficit) after Tax	**(56.3)**	**28.3**	**76.5**	**120.9**	**169.4**	**0.1**	**169.5**
Other comprehensive expense	-	-	-	(36.9)	(36.9)	-	(36.9)
Reserves transfer	-	4.3	(1.2)	(3.1)	-	-	-
Balance at 31 July 2023	**1,202.8**	**475.2**	**227.7**	**3,478.7**	**5,384.4**	**0.6**	**5,385.0**
University							
Balance at 1 August 2021	**1,149.0**	**388.2**	**167.9**	**3,402.8**	**5,107.9**	**-**	**5,107.9**
Surplus / (Deficit) after Tax	**28.9**	**51.4**	**1.4**	**(206.9)**	**(125.2)**	**-**	**(125.2)**
Other comprehensive income	-	-	-	148.2	148.2	-	148.2
Reserves transfer	1.0	3.0	-	(4.0)	-	-	-
Balance at 31 July 2022	**1,178.9**	**442.6**	**169.3**	**3,340.1**	**5,130.9**	**-**	**5,130.9**
Surplus / (Deficit) after Tax	**(52.1)**	**28.3**	**78.9**	**94.7**	**149.8**		**149.8**
Other comprehensive expense	-	-	-	(18.8)	(18.8)	-	(18.8)
Reserves transfer	-	4.3	(20.5)	16.2	-	-	-
Balance at 31 July 2023	**1,126.8**	**475.2**	**227.7**	**3,432.2**	**5,261.9**	**-**	**5,261.9**

The accompanying notes form part of these financial statements.

Consolidated and University Statement of Financial Position

As at 31 July 2023

	Note	Consolidated 2023 £'m	Consolidated 2022 Restated £'m	University 2023 £'m	University 2022 Restated £'m
Non-current assets					
Intangible assets and goodwill	14	112.5	97.1	112.2	96.5
Property, plant and equipment	15	1,499.5	1,458.1	1,486.6	1,446.5
Heritage assets	16	112.3	107.9	112.3	107.9
Investments	17	5,066.5	5,071.1	5,080.0	5,073.5
		6,790.8	**6,734.2**	**6,791.1**	**6,724.4**
Current assets					
Intangible assets – pre-publication	19	18.9	19.5	17.4	17.5
Inventories and work-in-progress	19	74.9	67.2	53.2	51.4
Trade and other receivables					
– due within one year	20	642.5	609.4	588.1	543.6
– due after one year	21	28.8	48.1	28.8	48.1
Investments	22	201.1	222.8	117.3	169.1
Cash and cash equivalents	23	650.6	727.2	609.3	662.5
		1,616.8	**1,694.2**	**1,414.1**	**1,492.2**
Creditors: amounts falling due within one year	25	(1,152.1)	(1,211.2)	(1,094.4)	(1,125.1)
Net current assets		**464.7**	**483.0**	**319.7**	**367.1**
Total assets less current liabilities		**7,255.5**	**7,217.2**	**7,110.8**	**7,091.5**
Creditors: amounts falling due after more than one year	26	(1,272.4)	(1,288.5)	(1,269.5)	(1,308.2)
Provisions for liabilities					
Pension provisions - deficit recovery plans	28	(516.1)	(617.1)	(512.1)	(610.2)
Pension provisions - defined benefit schemes	28	(60.3)	(35.1)	(60.3)	(35.1)
Other provisions	29	(21.7)	(24.1)	(7.0)	(7.1)
Total net assets		**5,385.0**	**5,252.4**	**5,261.9**	**5,130.9**
Reserves					
Endowment Reserves					
– Permanent	30	1,202.8	1,259.1	1,126.8	1,178.9
– Expendable	30	475.2	442.6	475.2	442.6
		1,678.0	**1,701.7**	**1,602.0**	**1,621.5**
Restricted reserves					
– Income and expenditure reserve	31	227.7	152.4	227.7	169.3
Unrestricted reserves					
– Income and expenditure reserve	32	3,478.7	3,397.8	3,432.2	3,340.1
		3,706.4	**3,550.2**	**3,659.9**	**3,509.4**
Minority Interests		0.6	0.5	-	-
Total reserves		**5,385.0**	**5,252.4**	**5,261.9**	**5,130.9**

Refer to note 23 for details of the restatement.

The Financial Statements were approved by Council on 19 December 2023 and signed on its behalf by:

Prof I Tracey
Vice-Chancellor

Prof A Trefethen
Pro-Vice-Chancellor

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 July 2023

Consolidated	Note	2022/23 £'m	2021/22 Restated £'m
Cash flows from operating activities			
Surplus/(loss) for the year before taxation		**173.3**	**(113.3)**
Adjustment for non-cash items:			
Depreciation	11, 15	108.8	101.5
Amortisation of intangibles	14	23.9	23.2
Loss on investments		165.3	4.6
Decrease /(increase) in pre-publication cost	19	0.6	(4.5)
(Increase) in inventories	19	(7.7)	(8.1)
(Increase) in receivables	20, 21	(16.0)	(57.4)
(Decrease)/increase in payables	25, 26	(98.0)	164.9
(Decrease)/increase in pension provisions	28	(127.6)	323.2
(Decrease)/increase in other provisions	29	(2.4)	5.4
Donation of assets	16	(3.2)	(2.9)
(Increase)/decrease in non-controlling interest		(0.2)	0.6
Share of operating deficit in joint ventures		2.7	4.1
Unrealised exchange rate gain/(loss)		1.8	(5.5)
Adjustment for investing or financing activities:			
Investment income	7	(175.6)	(130.1)
Interest payable	10	54.0	37.4
New endowments	8	(54.3)	(53.9)
Capital grant income	3,4,6	(45.3)	(71.1)
(Gain) on disposal of property, plant and equipment		(2.2)	(17.0)
Cash flows from operating activities		**(2.1)**	**201.1**
Taxation	12	(1.0)	(9.6)
Net cash flows used in operating activities		**(3.1)**	**191.5**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		1.0	27.4
Capital grants receipts		82.2	79.7
Proceeds from sale of intangible fixed assets	14	0.5	1.8
Payments to acquire heritage assets	16	(1.2)	(0.4)
Payments to acquire property, plant and equipment	15	(151.5)	(119.7)
Payments to acquire intangible assets	14	(40.0)	(34.7)
Investment in current investments	22	21.7	136.7
Investment in non-current investments	17	(167.0)	(346.5)
Investment income	7	175.6	127.0
Net cash flows used in investing activities		**(78.7)**	**(128.7)**
Cash flows from financing activities			
Interest paid on borrowings	10	(32.6)	(31.6)
Endowment cash received		56.5	81.5
Repayment of borrowings	26	(21.2)	(6.9)
New borrowings	26	-	19.0
Net cash flows from financing activities		**2.7**	**62.0**
Net (decrease)/increase in cash and cash equivalents		**(79.1)**	**124.8**
Cash and cash equivalents at beginning of year		**727.2**	**601.4**
Effect of foreign exchange rate changes		2.5	1.0
Cash and cash equivalents at end of year		**650.6**	**727.2**

Refer to note 23 for details of the restatement.

The University has taken the allowed exemption under FRS 102 to not produce a University only cash-flow.

Statement of Accounting Policies

1. Basis of Accounting

The Consolidated and University financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education (2019 edition). They have also been prepared in accordance with the 'carried forward' powers and duties of previous legislation (Further and Higher Education Act 1992 and the Higher Education Act 2004) and the new powers of the Higher Education and Research Act 2017 during the transition period to 31 July 2019, the Royal Charter, the Accounts Direction issued by the Office for Students (OfS), the terms and conditions of funding for higher education institutions issued by the Office for Students and the terms and conditions of Research England Grant. The University is a public benefit entity and therefore has applied the relevant public benefit requirement of the applicable UK laws and accounting standards.

The consolidated and university financial statements have been prepared under the historical cost convention, modified to include certain financial assets and liabilities at fair value. The functional currency of the University is Pounds Sterling, as the United Kingdom is the primary economic environment the University operates in. Accordingly, the consolidated Financial Statements are presented in Pounds Sterling, rounded to the nearest £100,000. Foreign operations are included in accordance with the policies set out in policy 3.

Judgements made by management in the application of these accounting policies that have a significant effect on the Financial Statements and estimates with a significant risk of material adjustment in the next year are discussed at the end of these policies.

2. Scope of the Financial Statements

Basis of consolidation

The Financial Statements (apart from the University's own statement of financial position, comprehensive income statement and related notes) consolidate the accounts of the University and of its subsidiary undertakings for the financial year to 31 July 2023.

The Financial Statements include the activities of Oxford University Press (the Press) and its subsidiaries. For the purposes of the tables in these financial statements, 'University' consists of the academic divisions, libraries, museums, administrative support and the Press; 'Consolidated' includes the subsidiaries and associates of both the academic University and the Press. A full list of the subsidiaries and associates can be found in note 18.

The results of subsidiaries acquired or sold in the current or prior years are consolidated for the periods from or to the date on which control passed. Acquisitions are accounted for under the purchase method.

The Financial Statements do not consolidate the accounts of the Oxford University Student Union and its subsidiary company, as they are separate and independent legal entities in which the University has no financial interest. It does not exercise direct control or dominant influence over their policy decisions.

The Financial Statements do not consolidate the accounts of those colleges of the University as they are separate and independent legal entities. The accounts of Kellogg College, St Cross College and Reuben (previously called Parks) College are included as they are departments of the University.

Non-company charitable subsidiaries, including trusts, are aggregated into the University accounts where they meet the definition of a 'Special Trust' as per section 287 of the Charities Act 2011. Where a trust does not meet the definition of a special trust, but control can be demonstrated by the University, it is consolidated.

Investment funds in which the University is the majority investor, but does not exercise any management control are excluded from consolidation in accordance with the provisions of Section 9 of FRS 102, and accounted for as Investment Assets.

Joint ventures are accounted for using the 'Equity Method'. They are initially recognised at transaction cost adjusted each year to reflect the University's share of the joint ventures' Comprehensive Income, recognised through Other Comprehensive Income. The joint ventures are reviewed to ensure that the investment is worth the carrying amount and a provision is booked against the value, if necessary.

Associated undertakings are accounted for using the 'Equity Method'. They are initially recognised at transaction cost adjusted each year to reflect the University's share of the associates' Comprehensive Income, recognised through Other Comprehensive Income.

Going concern

The Group and parent University's activities, together with the factors likely to affect its future development, performance and position, are set out in the Operational and the Financial Review which forms part of the Board of Council's Report. The Council's Report also describes the financial position of the Institution, its cash flows, liquidity position and borrowing facilities.

Statement of Accounting Policies – continued

The financial statements have been prepared on a going concern basis which the Council consider to be appropriate for the following reasons.

The Council has reviewed cash flow forecasts for a period of 12 months from the date of approval of these financial statements. After reviewing these forecasts the Council is of the opinion that, taking account of severe but plausible downsides the Group and parent University will have sufficient funds to meet their liabilities as they fall due over the period of 12 months from the date of approval of the financial statements (the going concern assessment period).

Consequently, Council is confident that the Group and parent University will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore has prepared the financial statements on a going concern basis.

3. Foreign Currencies

Transactions in foreign currencies are recorded in the local currency of the entity at the rate of exchange on the transaction date. Monetary assets and liabilities denominated in foreign currencies are reported at the rates of exchange prevailing at the date of the Statement of Financial Position. Non-monetary assets and liabilities measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Income.

The results of overseas operations are translated at the average rates of exchange during the period and their Statement of Financial Position at the rates prevailing at the date of the Statement of Financial Position. Exchange differences arising from this translation of foreign operations are reported as an item of Other Comprehensive Income.

The University, and in particular the publishing and investment functions, undertake some hedging activity for foreign exchange.

The University designates certain derivatives as hedging instruments in respect of the foreign exchange risk of forecast cash flows.

At the inception of the hedge relationship, the University documents the relationship between the hedging instruments and the hedged cash flows. This identifies the risk in the hedged item that is being hedged by the instrument. Furthermore, at the inception of the hedge and on a continual basis the University assesses whether the hedging instrument is effective in offsetting the designated hedge risk.

The effective portion of changes in the fair value of the designated hedging instrument is recognised in Other Comprehensive Income. The gain or loss relating to the ineffective portion is recognised immediately in the Statement of Comprehensive Income. Amounts previously recognised in Other Comprehensive Income and included in the reserves are reclassified to the Statement of Comprehensive Income in the periods in which the hedged item affects the Statement of Comprehensive Income or when the hedging relationship ends.

Hedge accounting is discontinued when the University revokes the hedging relationship, the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. Any gain or loss included in the reserves at that time is reclassified to the Statement of Comprehensive Income when the hedged item is recognised in the Statement of Comprehensive Income. When a forecast cash flow is no longer expected to occur, any gain or loss that was recognised in Other Comprehensive Income is reclassified immediately to the Statement of Comprehensive Income.

4. Income

Income arising for the sale of goods or the provision of services is recognised as income on the exchange of the relevant services and where applicable is shown net of value added tax, returns, discounts and rebates as appropriate. Where services are being rendered but are not complete at the end of the period, income is recognised by reference to the stage of completion/ degree of provision of the service as determined on an appropriate basis for each contract. Funds for which the University receives and disburses as paying agent on behalf of a funding body are excluded from the income and expenditure of the University where the University is exposed to minimal risk.

Tuition fees and educational contracts

Fee income is stated gross of any expenditure and credited to the Statement of Comprehensive Income over the period students study. Where the amount of the tuition fee is reduced, income receivable is shown net of the discount. Bursaries and scholarships are accounted for as expenditure and not deducted from income.

Tuition and other course fees relate directly to the provision of specific academic and non-academic courses. Income is recognised on a pro-rata basis across the length of the course, in line with the provision of the courses to students.

Statement of Accounting Policies – continued

Performance model

Income is recognised within the Statement of Comprehensive Income when the grant is receivable (legal/contractual commitment) and performance related conditions specified in the agreement are met. In the absence of performance conditions, income is recognised in full as soon as it becomes receivable.

Performance conditions are defined as follows:

A condition that requires the performance of a particular level of service or units of output to be delivered, with payment of, or entitlement to, the resources conditional on that performance.

Resources received in advance of completion of performance conditions are recognised on the Statement of Financial Position as deferred income and released to the Statement of Comprehensive Income as conditions are met. Where grants are received in arrears, accrued revenue or receivable assets are recognised in line with income.

Government grants

Both revenue and capital government grants are accounted for under the Performance Model. For OfS/ Research England funding grants relating to a single academic year, income is recognised in full in the period to which the grant relates. Grants relating to more than a single year are recognised pro-rata across the term of the grant.

Research income

Income recognition for research funding is dependent upon the source of the funding and the nature of the transaction. Income is classified as 'Research Grants and Contracts' regardless of source when it meets the Frascati definition of research.

In the majority of cases income is recognised on a reimbursement basis, with income recognised as costs are incurred for which the University has a right to reimbursement, unless this is specifically disallowed under the funding agreement. Where funding is from a government body, expenditure on the grant purpose is presumed to be the performance condition unless specifically allowed under the funding agreement.

Publishing services

Income is stated net of trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the buyer. Income from the sale of goods is recognised when the goods are physically delivered to the customer. Income from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable.

Provision has been made for expected sales returns after the date of the Statement of Financial Position on the basis of the historical level of such returns augmented by additional provisions made in accordance with FRS 102, where in the opinion of management these are required. The movement in the returns provision is recognised within income and other operating expenses.

Capital grants

Grants, both government and non-government, for the purpose of purchasing or constructing specific assets are recognised as income upon the asset being brought into use, or in line with phase completion of large construction projects. Grants where the University has discretion over the assets purchased/built are recognised in full as income when the grant becomes receivable. Government grants are taken as income as they become receivable.

Grant income is only recognised across the useful life of an asset to the extent that the grant specifically funds the operation/maintenance of the asset.

Investment income

Refer to policy 12 for investment income recognition policy.

5. Endowments

Donations and endowments

Donations and endowments are recognised in income when the University is entitled to the funds and are accounted for under the Performance Model. In the majority of cases this is the point at which the cash is received, although in the case of capital and particularly building donations or endowments this is in line with expenditure incurred under the agreement or delivery of specified milestones within the donation agreement.

Donations are credited to endowment reserves restricted reserves, or unrestricted reserves, depending on the nature and extent of restrictions specified by the donor.

Donations with no substantial restrictions are included in unrestricted reserves.

Donations which are to be retained for the future benefit of the University are included in endowment reserves.

Endowment funds are a class of funds where the donor requires the original gift to be invested, with the return to be spent against the donor's charitable aims.

Statement of Accounting Policies – continued

These funds are classified under three headings:

- **Permanent unrestricted**
  Where the donor has specified that the fund is to be permanently invested to generate an income stream for the general purposes of the University, the fund is classified as an unrestricted permanent endowment.
- **Permanent restricted**
  Where the donor has specified that the fund is to be permanently invested to generate an income stream to be applied for a restricted purpose, the fund is classified as a restricted permanent endowment.
- **Expendable restricted**
  Where the donor has specified a particular objective other than the acquisition or construction of tangible fixed assets, and that the University must or may convert the donated sum into income, the fund is classified as a restricted expendable endowment.

Total Return

The University operates a Total Return endowment investment management policy for permanent endowments and an associated Total Return Accounting policy. Total Return Accounting allows the spending of permanent endowment investment gains, regardless of whether they are realised/unrealised capital gains or dividend/interest income.

Investment gains on permanent endowment assets are recognised in the Statement of Comprehensive Income as accrued. The gains are recorded within the University's permanent endowment reserves as unapplied return.

For permanent restricted endowments unapplied return is transferred to unrestricted reserves as expenditure is incurred against the charitable purposes of each endowment.

For permanent unrestricted endowments unapplied return is transferred to unrestricted reserves under a spend rule based on the estimated long-term investment real rate of return. This is calculated as a percentage (currently 4.0%) of the value of the brought forward endowment.

Indexation of permanent endowment capital

UK charity law requires the University to maintain the charitable benefit of all permanent endowments in perpetuity. The University has adopted a policy of indexing brought forward permanent endowment capital by CPI to maintain the original capital value in real terms. A transfer is made on an annual basis from unapplied return to an indexation reserve (a subset of permanent endowment capital).

6. Employee Benefits

Short-term employee benefits

Short-term employment benefits such as salaries and compensated absences are recognised as an expense in the year employees render service to the University. A liability is recognised at each date of the Statement of Financial Position to the extent that employee holiday allowances have been accrued but not taken, the expense being recognised as staff costs in the Statement of Comprehensive Income.

Post-employment benefits (pensions)

The three principal pension schemes for the University's staff are the Universities Superannuation Scheme (USS), the OUP Group Pension Scheme ('OUP Group') and the University of Oxford Staff Pension Scheme (OSPS). The University also contributes on behalf of its employees to a number of other pension schemes including; Superannuation Arrangements of the University of London (SAUL), Medical Research Council Pension Scheme (MRCPS), overseas schemes and NHS Pension Scheme.

The principal schemes are all defined benefit schemes, which are externally funded and until April 2016 were contracted out of the State Second Pension (S2P). Each fund is valued every three years by professionally qualified independent actuaries. The defined benefit portion of the OSPS scheme is no longer available to new members.

USS, OSPS, SAUL, and MRCPS are multi-employer schemes for which it is not possible to identify the assets and liabilities belonging to individual institutional members due to the mutual nature of the schemes and therefore these schemes are accounted for as defined contribution retirement benefit schemes.

The OUP Group scheme is not a multi-employer scheme and is therefore accounted for as a defined benefit scheme under FRS102 Section 28.

The University contributes to USS, OUP Group, OSPS, SAUL and MRCPS at rates set by the scheme actuaries and advised to the University by the scheme administrators. The University contributes to the NHS Pension Scheme at rates in accordance with the Government's actuary's report on the scheme.

The amount charged to the Statement of Comprehensive Income represents the contributions payable to each scheme in respect of the accounting period, excluding any extra costs incurred related to clearing scheme deficits already provided for.

For defined benefit schemes which are not accounted for as multi-employer schemes, the amounts charged

Statement of Accounting Policies – continued

to operating profit are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Comprehensive Income if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The net interest cost on the net defined benefit liability is reported as other finance expense in the Statement of Comprehensive Income. Actuarial gains and losses, together with the return on plan assets, are recognised immediately as Other Comprehensive Income.

Most defined benefit schemes are funded, the assets of the schemes being held separately from those of the group in separate trustee-administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each date of the Statement of Financial Position. The resulting defined benefit asset or liability, net of any related deferred tax, is presented separately after other net assets on the face of the Statement of Financial Position.

A liability is recorded within provisions for any contractual commitment to fund past deficits within the multi-employer schemes as determined by the scheme management. The associated expense is recognised in the Statement of Comprehensive Income.

7. Leases

Finance leases

Leases in which the University assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases for agreements of £100k or above in line with the minimum value at which Property, Plant and Equipment is capitalised.

Leased assets acquired by finance lease and associated lease liability are stated at the lower of fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses.

Lease payments are apportioned between the finance charge, the reduction of the outstanding liability and, where applicable, to the cost of providing services such as maintenance. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating leases

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Future commitments under operating leases are disclosed in note 35. Any lease premiums or incentives are recognised as a reduction in expense spread evenly over the minimum lease term. The difference between expenditure recognised and cash flow benefits received is recognised as a liability released to the Statement of Comprehensive Income over the lease term.

8. Intangible assets and goodwill

Goodwill

Goodwill arises on consolidation and is based on the difference between the fair value of the consideration given for the undertaking acquired, and the fair value of its separable net assets at the date of acquisition.

Goodwill is amortised over its estimated useful life of between five and ten years on a straight-line basis. A full year of amortisation is taken in the year of acquisition.

Goodwill is assessed for indicators of impairment at each date of the Statement of Financial Position. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income. The recoverable amount of goodwill is the present value of the future cash flows of the cash-generating units of which the goodwill is a part.

Negative goodwill relating to non-monetary assets is released to the Statement of Comprehensive Income, as those assets are recovered through depreciation or sale. Negative goodwill in excess of the fair values of the non-monetary assets is released to the Statement of Comprehensive Income in the period in which the non-monetary assets are recovered.

Acquired licences

Acquired publishing lists in intangible assets are amortised on a straight-line basis over their estimated economic life deemed to be between three and ten years, in accordance with FRS 102, the period being determined by the nature of the list acquired.

Software licences

Software licences costing over £50k and with a longer than 12-month life are capitalised as intangible assets. The licences are then amortised over the useful life of up to 5 years or the remaining length of the licence, whichever is shorter.

Statement of Accounting Policies – continued

Datasets

Datasets are research-related intellectual property costs. In accordance with FRS 102 where these costs are measurable and have been incurred by a third party and are donated or sold to the University, they are capitalised and written down over their useful life of up to 10 years.

Intangible current assets – pre-publication (FRS 102 Section 18)

Pre-publication external costs attributable to individual print publications are capitalised and amortised over 12 months from the date of publication. Editorial salaries and the related overheads are not included.

Other internally generated intangibles

No internally generated intangibles are capitalised as the future inflow of economic benefits cannot be shown to be probable.

Research and development costs are written off to the Statement of Comprehensive Income as incurred.

9. Property, Plant and Equipment

Property, Plant and Equipment (PPE) consists of equipment, software and vehicles costing over £50k and capital building projects over £100k, land and completed buildings having a useful economic life of greater than 1 year and not intended for resale.

Property, Plant and Equipment (other than properties held for investment purposes) is stated at historical cost and depreciated on a straight-line basis over the following periods:

Freehold buildings 30–50 years

Building plant and equipment and temporary buildings 10–20 years

Buildings on National Health Service sites 50 years

Leasehold properties 50 years or the period of the lease if shorter

Refurbishment on leasehold properties 20 years or the period of the lease if shorter

Equipment 5–10 years unless the research project or expected asset life is lower

Freehold land and assets in the course of construction are not depreciated.

Fixed Assets, both Intangible and Tangible, are assessed for indicators of impairment at each date of the Statement of Financial Position (FRS 102 section 27). If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income. Assets are considered to be impaired if their recoverable value is less than book value. The recoverable amount of a Fixed Asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss on assets, the prior impairment loss is reversed only to the extent that it does not lead to a revised carrying amount higher than if no impairment had been recognised. Expenditure to ensure that a Property, Plant and Equipment asset maintains its previously recognised standard of performance is recognised in the Statement of Comprehensive Income in the period in which it is incurred. The University has a planned maintenance programme, which is reviewed annually.

Borrowing costs relating to purchase or construction of PPE assets are recognised as an expense in the Statement of Comprehensive Income in the period in which they are incurred.

10. Heritage Assets

Works of art and other valuable artefacts (Heritage Assets) acquired since 1 August 1999 and valued at over £50k are capitalised and recognised in the Statement of Financial Position at the cost or value of the acquisition, where such a cost or valuation is reasonably obtainable.

Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material. Heritage assets are subject to an annual impairment review.

11. Donated Assets

The University receives benefits in kind such as gifts of equipment, works of art and property. Items of a significant value donated to the University, which, if purchased, the University would treat as Property, Plant and Equipment, are capitalised at their current value and depreciated in accordance with the policy set out above. The value of the donations is included in the Statement of Comprehensive Income in the year they are received.

12. Investments Basis of Valuation

All investments will initially be recognised at cost and subsequently measured at fair value at each reporting date. Where fair value cannot be reliably measured or investments are not publicly traded, they will be measured at cost less impairment.

Listed investments and properties held as fixed asset investments and endowment asset investments are stated at market value at the balance sheet date. Investments in unquoted companies are valued in accordance with the International Private Equity and Venture Capital Guidelines (the ‘IPEVC Guidelines’)

Statement of Accounting Policies – continued

endorsed by the British & European Venture Capital Associations. Specifically, 'where the investment being valued has been subject to a recent trade, its cost may provide a good indication of fair value unless there is objective evidence that the investment has since been impaired, such as observable data suggesting a deterioration of the financial, technical, or commercial performance of the underlying business'. In other cases where management conclude there is no reliable measurement of fair value, unlisted equity investments are held at cost less impairment. In the circumstance where a reliable fair value had been previously available but can no longer be determined, the previous value is deemed to be the cost for the purpose of measuring the cost and then reviewed for impairment. Where there has been no funding round then spinouts are held at the original cost of the share subscription.

Investment properties are measured at fair value, based on the valuation undertaken by an independent Chartered Surveyor and updated annually for market movement. A selection of properties are visited and revalued each year, with every property revalued every three years and other properties valued by a desk-based review by the independent Chartered Surveyor.

Investments in subsidiaries and associated undertakings are accounted for under the Cost Model and recognised at transaction cost less accumulated impairment losses. Virtually all Associates are part of the investment in the Spinout portfolio and are valued on the same basis as the Spinout investments.

Following the formation of a Charitable Unauthorised Unit Trust (CUUT) to hold The Oxford Funds in June 2018, the dividend received from The Oxford Funds has been recognised in investment income. This accounting policy is based on the CUUT being held as part of an investment portfolio and meets the criteria in FRS 102 section 9.9(b) to be held at fair value: 'an interest is held as part of an investment portfolio if its value to the investor is through fair value as part of a directly or indirectly held basket of investments rather than the media through which the investor carries out business.' For note 17, the University Statement of Financial Position will show the fair values of the University's portion of the CUUT. The Consolidated Cash Flow Statements will show any cash movements relating to investing activities in the CUUT such as redemptions or purchases, in 'cash flows from investing activities'. Any cash flows from the underlying investments to the CUUT are not visible nor is dividend or interest income directly from the investments in the CUUT included in the University accounts.

Revaluation

All gains and losses on investment assets, both realised and unrealised, are recognised in the Statement of Comprehensive Income as they accrue.

External entities

Until the creation of the Oxford Collegiate Feeder Fund external entities such as Colleges and other bodies closely associated with the University could invest in the Oxford Endowment and Oxford Capital Funds. Since it was not possible to show the specific investments of these entities in the various funds, the amounts held on their behalf by the University were shown as a deduction from the University's Investment Assets. Since 1 July 2018, the external entities can invest directly in the Oxford Collegiate Feeder Fund and no deduction is required.

13. Inventories and Work in Progress

Stock and Work in Progress are valued at the lower of cost and selling price less costs to sell. Cost includes all direct expenditure except that, in the case of finished books and work in progress, editorial salaries and the related overheads are not included. Development costs associated with the compilation of major new reference works, the revenues from which are long deferred, are written off as they are incurred. Development costs associated with electronic publications are also written off as they are incurred.

Selling price less costs to sell is the amount for which the stock can be realised in the normal course of business after allowing for the costs of realisation and, where appropriate, the cost of conversion from its existing state to a finished condition.

Consumables are charged to the Statement of Comprehensive Income as purchased or released from stores.

14. Taxation Status

The University is an exempt charity within the meaning of Schedule 3 of the Charities Act 2011 and as such is listed as a charity within the meaning of Paragraph 1 of Schedule 6 to the Finance Act 2010. Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by Sections 472–488 of the Corporation Tax Act 2010 and Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

Most of the University's principal activities are exempt from Value Added Tax (VAT), but publishing sales, certain activities and other ancillary supplies and services are liable to VAT at various rates. Expenditure

Statement of Accounting Policies – continued

includes VAT charged by suppliers to the University where it is not recoverable and is likewise included in the cost of fixed assets.

Publishing activities have current tax, which is wholly composed of non-United Kingdom tax, provided at amounts expected to be paid (or recovered) using the taxation rates and laws which have been enacted or substantively enacted by the date of the Statement of Financial Position.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the date of the Statement of Financial Position, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the date of the Statement of Financial Position. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains or losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Commercial trading activities undertaken by the University are operated through its subsidiary companies. This income will attract applicable VAT and the profits are liable to Corporation Tax. However, the taxable profits made by these companies are mostly covenanted to the University and paid under Gift Aid, to the extent that the companies have distributable reserves, which negates that liability.

However, commercial activity undertaken outside the UK may be subject to tax in these jurisdictions.

15. Cash and Cash Equivalents

Cash includes cash in hand, cash at bank, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. These include term deposits and other instruments held as part of the University's treasury management activities.

Cash and cash equivalents contains sums relating to endowment reserves which the University is restricted as to how they are disbursed. Note 30 summarises the assets restricted in their use.

16. Financial Instruments

As allowable under FRS 102, the University has adopted the option to apply the recognition, measurement and disclosure requirements of sections 11 and 12 of FRS 102.

Financial assets are assessed for indicators of impairment at each date of the Statement of Financial Position. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income.

The University has debt instruments through long-term unsecured Bonds issued in December 2017 and January 2020 and listed on the London Stock Exchange. The Bonds were initially recognised at the proceeds of issue less all transaction costs directly attributable to the issue. After initial recognition, the Bonds are measured at amortised cost using the effective interest rate method. Under this method the transaction costs are accounted for as expense over the term of the Bonds (see note 26).

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

17. Intra-Group Transactions

Gains or losses on any intra-group transactions are eliminated in full. Amounts in relation to debts and claims between undertakings included in the consolidation are also eliminated. Balances between the University and its associates and joint ventures are not eliminated; unsettled normal trading transactions are included as current assets or liabilities. Any gains or losses are included in the carrying amount of assets of either entity; the part relating to the University's share is eliminated.

Statement of Accounting Policies – continued

18. Public Benefit Concessionary Loans

Where loans are made at below the prevailing market rate of interest, not repayable on demand and made for the purpose of furthering the objectives of the University, they are classified as concessionary loans.

Concessionary loans are initially measured at the amount paid and adjusted at the period end to reflect any accrued income receivable. Should a loan be judged as irrecoverable, it is written off to the Statement of Comprehensive Income in the period in which it becomes irrecoverable.

19. Segmental Information

The University operates in a number of different classes of business. For the purpose of segmental reporting, classes of business have been identified by reference to the nature of the activity and management organisation (see note 13).

20. Accounting for Jointly Controlled Entities, Assets and Operations

Jointly controlled entities

The University accounts for its share of jointly controlled entities using the equity method.

Investments in jointly controlled entities are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the Group's share of the Profit or Loss and Other Comprehensive Income of the joint operation.

The joint ventures are reviewed to ensure that the investment is worth the carrying amount and a provision against the value created, if necessary.

Jointly controlled assets and operations

The University accounts for jointly controlled assets and operations based upon its share of costs incurred, and recognises its share of liabilities incurred pro-rata. Income and expenditure is recognised based upon the University's share.

21. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised in the financial statements when;

- the University has a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

A contingent liability arises from a past event that gives the University a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the University. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

A contingent asset arises where an event has taken place that gives the University a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the University. Contingent assets and liabilities are not recognised in the Statement of Financial Position but are disclosed in the notes.

22. Legal Form

The University is a civil corporation established under common law, which was formally incorporated by the Act for Incorporation of Both Universities 1571 under the name of 'The Chancellor, Masters and Scholars of the University of Oxford'.

The University is incorporated in the United Kingdom.

Registered Office

University of Oxford
University Offices
Wellington Square
Oxford
OX1 2JD

Accounting Judgements and Estimates

The University prepares its consolidated financial statements in accordance with FRS 102, as issued by the Financial Reporting Council, the application of which often requires judgements to be made by management when formulating the consolidated financial position and results. Under FRS 102, management is required to adopt those accounting policies most appropriate to the circumstances for the purpose of presenting fairly the Group's financial position, financial performance and cash flows. In determining and applying accounting policies, judgement is often required in respect of items where the choice of specific policy, accounting estimate or assumption to be followed could materially affect the reported results or net asset position of the University; it may later be determined that a different choice would have been more appropriate.

Estimates

The key sources of estimation uncertainty at the reporting date that may have a significant risk of causing a material adjustment to the carrying amounts of assets or liabilities within the next financial year are set out below.

The liability for the USS deficit recovery pension plan amounted to £514.3m at 31 July 2023. The liability is estimated based on key assumptions on discount rates, salary inflation and staff numbers in the future. These assumptions, and analysis of the sensitivity to these assumptions, are set out in note 37. The cost of the USS deficit recovery plan has been estimated based on a model devised by USS and the British Universities Finance Directors Group. The model uses the additional costs included in the deficit recovery plan, adjusts for management's estimate of changes in staffing levels and pay increases, and is discounted based on the yield on corporate bonds having a maturity of a similar length to the recovery plan. The scheme actuary reviews the funding of the USS every year and undertakes a formal actuarial valuation every three years, at which time the deficit recovery plan may be amended.

The liability for the OUP defined benefit pension scheme was £60.3m at 31 July 2023. The liability is estimated based on assumptions which are set out in note 37, together with analysis of the sensitivity to changes in these assumptions.

The fair value of investment properties at 31 July 2023 was £333.5m. A valuation is carried out by an independent Chartered Surveyor as detailed in Accounting policies – 12 Investments basis of valuation. Key assumptions include assessments of market value per acre, future development costs and appropriate discounts for planning risk and delivery risk.

The carrying value of spinout companies at 31 July 2023 was £215.9m. The estimation of the carrying value includes assessing whether there has been any deterioration in the financial, technical, or commercial performance of the underlying business since the last funding round.

Judgements

The critical judgements made in the process of applying the University's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows.

For spinout valuations management assess whether individual spinout valuations can be valued at a recent trade valuation. Management consider whether the University or other investors have participated in that trade, and then assess whether there is any observable data as to whether that trade is at a fair value to provide a basis for valuation. Where the previous trade is not recent, then management assess whether the previous trade can be used as a deemed cost.

Research revenue from the Research Councils and European Commission is recognised in line with expenditure which in the judgement of the University creates the right to receive funding from these bodies. Research revenue from charities and industry is recognised in most cases on a reimbursement basis as costs are incurred which it is judged creates the right to reimbursement.

Donations and research income contracts and gift agreements are reviewed to determine whether they have performance conditions but the contracts can be vague or uncertain.

JUDGEMENTS	NOTE
Income recognition	1–8
Investment valuations	17

ESTIMATION UNCERTAINTIES AND ASSUMPTIONS	
Calculation of the value of investment properties	17
Calculation of the value of spinout companies	17
Calculation of the provision for funding of pension deficits	28
Calculation of the provision for funding of pensions under defined benefit schemes	28

Accounting Judgements and Estimates – continued

Notes to the Financial Statements

1. Tuition fees and grant Income

	Consolidated		University	
	2022/23 £'m	2021/22 £'m	2022/23 £'m	2021/22 £'m
Grant income from the OfS	14.8	14.8	14.8	14.8
Grant income from other bodies	214.4	191.3	214.4	191.3
Fee income for taught awards	290.1	277.7	290.1	277.7
Fee income for research awards	88.2	80.7	88.2	80.7
Fee income from non-qualifying courses	125.9	108.5	103.6	89.9
	733.4	**673.0**	**711.1**	**654.4**

Further analysis of these numbers is provided in notes 2 and 3.

2. Tuition fees and education contracts

	Consolidated		University	
	2022/23 £'m	2021/22 £'m	2022/23 £'m	2021/22 £'m
Full-time students				
Home	124.1	121.1	124.1	121.1
EU	7.0	13.4	7.0	13.4
Overseas and other fees	208.5	189.5	208.5	189.5
Part-time students				
Home	13.1	11.8	13.1	11.8
EU	0.7	1.8	0.7	1.8
Overseas and other fees	24.9	20.8	24.9	20.8
Other fees and education contracts				
Professional and non-matriculated courses	66.7	53.9	44.4	35.3
Examination and other fees	1.2	1.0	1.2	1.0
Research training support grants	58.0	53.6	58.0	53.6
	504.2	**466.9**	**481.9**	**448.3**

Students from the EU starting their courses from 2021/22 onwards are charged fees at overseas rates and are shown as such above.

Notes to Financial Statements – continued

3. Funding body grants

	Consolidated		University	
	2022/23 £'m	2021/22 £'m	2022/23 £'m	2021/22 £'m
Recurrent grants				
OfS	14.3	13.9	14.3	13.9
Research England	164.2	154.3	164.2	154.3
Specific grants				
Museums, Galleries and Collections Fund	3.9	3.9	3.9	3.9
Higher Education Innovation Fund	7.7	5.7	7.7	5.7
Quality Research Non-recurrent	7.6	-	7.6	-
OfS capital grants	0.5	0.9	0.5	0.9
Research England capital grants	26.9	19.1	26.9	19.1
Other	4.1	8.3	4.1	8.3
	229.2	**206.1**	**229.2**	**206.1**

The OfS/Research England recurrent grant is the annual funding for the purposes of Teaching, Research and Knowledge Exchange. Each grant relates to a specific academic year and each grant is recognised in full in the year to which it relates.

Research England received supplemental funding during 2022/23 and made an additional supplemental non-recurrent QR grant during the year to support research. The University share was £7.6m (2022:£nil).

The Museums, Galleries and Collections Fund is provided by Research England to support museums and galleries in the HE sector that have research significance beyond their home institution. Within the University, grant funding is provided to support the Ashmolean, Pitt Rivers Museum, Museum of Natural History and the Museum of the History of Science. Grants are awarded on an academic year basis to fund the specific operations of each of the museums. Income is recognised in full in the academic year in which the operations have been performed.

The Higher Education Innovation Fund (HEIF) is provided by Research England to support Knowledge Exchange between members of the HE Sector and the wider-community. HEIF funding is allotted on an annual basis and becomes receivable once the University has provided an approved Knowledge Exchange strategy for the funding. Income is recognised on an annual basis once the strategy has been approved.

Capital grants are those grants from OfS/Research England provided for the purposes of purchasing or building of capital assets. They generally do not specify particular assets and income is recognised in full once the University has a right to receive the grant.

Notes to Financial Statements – continued

4. Research grants and contracts

	Consolidated		University	
	2022/23 £'m	2021/22 £'m	2022/23 £'m	2021/22 £'m
UK funders				
Research Councils	174.8	148.8	174.5	148.6
UK government and health authorities	118.3	141.4	118.3	141.4
UK charities	190.8	165.5	190.8	165.5
UK industry and commerce	71.1	34.2	71.1	34.2
UK other sources	3.9	3.6	3.9	4.9
EU funders				
European Commission and other EU government bodies	55.8	57.9	55.8	57.9
EU based charities	1.8	1.6	1.8	1.6
EU based industry and commerce	28.2	33.3	28.2	33.3
EU other sources	7.0	3.9	7.0	3.9
Other overseas funders				
Other overseas charities	32.8	30.0	32.8	30.0
Other overseas industry and commerce	47.9	49.8	47.9	49.8
Other overseas sources	56.6	41.4	54.5	40.8
	789.0	**711.4**	**786.6**	**711.9**

Research grants and contract income includes £27.7m (2022: £16.4m) in respect of capital funding. Research grants and contracts exclude funding body Quality Research income.

Non-UK charity income only includes income from grants which were competitively awarded and externally peer-reviewed.

5. Publishing services

	Consolidated		University	
	2022/23 £'m	2021/22 £'m	2022/23 £'m	2021/22 £'m
Publishing Services – UK	105.4	126.5	105.8	127.2
Publishing Services – Asia Pacific	213.4	198.3	171.0	198.5
Publishing Services – North America	185.9	174.0	186.6	175.0
Publishing Services – Europe	145.4	155.2	95.0	102.1
Publishing Services – Latin America	40.5	32.5	11.6	11.0
Publishing Services – Central Asia, Middle East, North Africa	30.3	27.3	23.9	21.9
Publishing Services – Sub-Saharan Africa	32.1	29.3	4.1	4.4
	753.0	**743.1**	**598.0**	**640.1**

This represents income of the Press and associated subsidiaries and shows the sales in each geographical region that the Press operates in.

Notes to Financial Statements – continued

6. Other income

	Consolidated		University	
	2022/23 £'m	2021/22 £'m	2022/23 £'m	2021/22 £'m
Residences, catering and conferences	4.9	3.4	4.7	3.6
Other services rendered	81.4	52.4	42.1	1.6
National Health Service	15.5	16.1	15.5	16.2
Foreign exchange gain	-	7.6	-	7.2
Royalty income	95.1	216.7	75.7	161.5
Receipts from educational activities	14.5	12.5	14.5	12.5
Rental income from operating leases	19.7	19.2	20.1	19.0
Other income*	60.6	57.0	81.4	87.4
Capital grants	(9.8)	26.2	(9.8)	26.2
	281.9	**411.1**	**244.2**	**335.2**

Capital Grant income is external funding other than research grants or from OfS/Research England for assets capitalised in year. The amount reported for 2021/22 included a £10.0m grant which should have been categorised as Research Income from UK Charities. The amount reported for 2022/23 includes an adjustment to correct the classification which reduces Other income – capital grants by £10.0m and increases Research grants – UK charities by £10.0m (note 4).

Royalty income includes £20.9m (2022: £143.1m) of royalty and related milestone income relating to the AstraZeneca COVID-19 vaccine.

*The majority of other income is non-research grants to fund departmental activity within the University. In addition, the category includes miscellaneous income across many departments.

In 2021/22, Oxford University Trading Limited sales receipts of £22.8m were recorded as Other Income in both the University and the Consolidated figures. In 2022/23, Oxford University Trading sales receipts were included within Other Services Rendered in both the University and the Consolidated figures.

Total rentals receivable under operating leases

	Land and Buildings			
	Consolidated		University	
	2022/23 £'m	2021/22 £'m	2022/23 £'m	2021/22 £'m
Receivable during the year	19.7	19.2	20.1	19.0
Future minimum lease receivables due:				
Not later than 1 year	12.5	13.7	12.8	14.0
Later than 1 year and not later han 5 years	3.7	8.1	3.6	8.7
Later than 5 years	1.6	5.2	1.4	5.2
Total future lease receivables due	**17.8**	**27.0**	**17.8**	**27.9**

Notes to Financial Statements – continued

7. Investment income

	Consolidated		University	
	2022/23 £'m	2021/22 £'m	2022/23 £'m	2021/22 £'m
Profit on disposal of spinout company investments	4.9	3.1	4.9	2.6
Dividend from The Oxford Funds	147.4	116.5	144.3	113.5
Other income and interest from investments	28.2	10.5	22.0	10.5
	180.5	**130.1**	**171.2**	**126.6**

Profit on disposal of spinouts includes:

- £0.1m (2022: £0.8m) release of deferred income from Technikos LLP for the right to purchase a percentage share of share capital in spinout companies formed by the Institute of Biomedical Engineering.
- £4.0m (2022:£2.3m) release of deferred income from Oxford Sciences Enterprise plc for the right to purchase a percentage share of share capital in spinout companies formed by the University (see note 26).
- In 2022/23, the Consolidated University realised profit of £0.8m (2022:£0.2m) on the disposal of spinouts.

Following the formation of a Charitable Unauthorised Unit Trust (CUUT) to hold The Oxford Funds in June 2018, the dividend received from The Oxford Funds has been recognised in investment income. The CUUT is held as part of an investment portfolio and meets the criteria in FRS 102.9.9(b) to be held at fair value. Since the University invests in the CUUT primarily for fair value gains and the CUUT is not the method through which the University carries out its business (teaching and research), this is therefore held as part of an investment portfolio.

Investment losses

	Consolidated		University	
	2022/23 £'m	2021/22 £'m	2022/23 £'m	2021/22 £'m
Analysis of gains/(losses) on investments				
Investments held in The Oxford Funds	(194.0)	(39.5)	(190.0)	(38.5)
Capital Account	2.5	(42.9)	2.5	(42.9)
Spinouts	28.1	3.1	28.1	0.7
Investment properties held directly	16.7	34.1	16.7	34.2
Sequoia	(16.3)	38.0	(16.3)	38.0
Other investments	(2.3)	2.6	(2.5)	3.3
	(165.3)	**(4.6)**	**(161.5)**	**(5.2)**

All investment gains/(losses) are on assets held at fair value through profit or loss except as follows. £47.2m (2022: £82.7m) of the spinout investments (note 17) did not have a reliable fair value available, and were held at cost less impairment. The reduction in the value of these investments of £22.2m (2022:£17.9m) has been included within the movement in spinout valuations above.

The Capital Account (previously Strategic Capital Account) is structured to allow the University to regularly draw down from holdings in global equities, global corporate bonds and UK-focussed short-term sovereign bonds.

Notes to Financial Statements – continued

8. Donations and endowments

	Consolidated		University	
	2022/23 £'m	2021/22 £'m	2022/23 £'m	2021/22 £'m
Donations				
Donations with restrictions	101.1	28.5	101.1	29.7
Donations without restrictions	28.3	21.4	25.5	21.4
Endowments				
New endowments and transfers	54.3	53.9	54.3	53.9
Total Donations and Endowments	**183.7**	**103.8**	**180.9**	**105.0**
Donations of assets	3.2	2.9	3.2	2.9
	186.9	**106.7**	**184.1**	**107.9**

Donations totalling £0.1m (2022: £1.0m) have been received but not recognised as income during the year due to as yet unfulfilled conditions contained in the gift agreements. These donations include gifts to support academic posts, scholarships and outreach, and other academic activities.

Notes to Financial Statements – continued

9. Staff costs

	Note	Consolidated 2022/23 £'m	Consolidated 2021/22 £'m	University 2022/23 £'m	University 2021/22 £'m
Staff costs:					
Wages and salaries		1,001.7	942.1	942.1	880.9
Social security costs		91.7	86.0	86.7	81.5
Pension costs as paid	37	144.7	139.3	140.4	131.9
		1,238.1	**1,167.4**	**1,169.2**	**1,094.3**
Pension provisions	28	(118.1)	368.6	(118.3)	364.7
Total staff costs		**1,120.0**	**1,536.0**	**1,050.9**	**1,459.0**

	2022/23 FTE	2021/22 FTE
Average staff numbers by major category:		
Academic	1,955	1,897
Research	4,466	4,437
Teaching and Research Support	1,007	925
Departmental Support Services	3,749	3,557
Library and Museum Services	874	852
Publishing	4,966	5,015
Central Support Services	1,770	1,716
	18,787	**18,399**
Subsidiaries – Academic	323	244
Average number of full-time equivalent staff	**19,110**	**18,643**

	2022/23 £'000 Prof I Tracey 01/01/2023–31/07/2023	2022/23 £'000 Prof L Richardson 01/08/2022–31/12/2022	2021/22 £'000 Prof L Richardson 01/08/2021–31/07/2022
The emoluments of the Vice-Chancellors who served during the year were:			
Basic salary	232	176	411
Other remuneration	-	23	-
Benefits – taxable			
Membership of private healthcare scheme	-	3	5
Accommodation	62	54	46
Payments in lieu of pension contributions	27	21	49
Pension contributions	15	12	23
Non-taxable benefits	-	-	8
Remuneration	**336**	**289**	**542**
Payment in lieu of sabbatical	-	423	-
Total remuneration	**336**	**712**	**542**

Notes to Financial Statements – continued

9. Staff costs continued

The Senior Remuneration Committee (formally CRSSUO) is the committee responsible for setting and reviewing the pay of the Vice-Chancellor. Full details of the Committee membership, remuneration policy and other associated policies can be found on the University's website https://hr.web.ox.ac.uk/crssuo.

The Senior Remuneration Committee reviews remuneration on appointment and biennially thereafter to ensure it remains competitive. In doing this, the Committee takes into account appropriate benchmarks and context. In 2019, the Committee agreed an increase in salary for the role of Vice-Chancellor, which the outgoing Vice-Chancellor chose not to take until after the pandemic in 2021.

The incoming Vice-Chancellor's remuneration was agreed on appointment in 2022, taking into account, as required, the remit and responsibilities of the role and the market rate in UK universities for jobs of comparable scale. The incoming Vice-Chancellor chose not to take the outgoing Vice-Chancellor's 2019 salary increase. The incoming Vice-Chancellor salary has therefore been adjusted only for the nationally negotiated pay awards applied to all non-clinical staff.

In 2021, the Committee agreed a one-off payment to all members of the Senior Leadership Team in recognition of exceptional leadership during the pandemic (included in Other income in the table above). There were no other performance-based incentives or pandemic-related payments made to the Vice-Chancellor or to the key management personnel of the Academic University.

The Vice-Chancellor does not receive income from external board appointments.

On demitting office, the outgoing Vice-Chancellor received a payment of £423,407 in lieu of her entitlement to take sabbatical in line with undertakings given when her term was agreed in 2015. The current Vice-Chancellor has waived her entitlement to a sabbatical when she demits office.

The role of Vice-Chancellor is required to reside in a property appropriate for undertaking University duties whilst in post. The living accommodation provided to the Vice-Chancellor, thus, gives rise to a chargeable benefit.

The ratios of each Vice-Chancellor's annualised remuneration against median remuneration for all staff expressed as a multiple of median basic salary and a multiple of total remuneration (including both taxable and non-taxable benefits) are as follows:

	Basic pay multiple	Total pay multiple[1]
2022/23 Professor Irene Tracey		
compared to Academic staff	5.8	6.5
compared to Academic University and subsidiary staff	9.5	10.8
compared to all staff	9.8	11.4
2022/23 Professor Louise Richardson		
compared to Academic staff	6.2	6.9
compared to Academic University and subsidiary staff	10.1	11.5
compared to all staff	10.4	12.2
2021/22 Professor Louise Richardson		
compared to Academic staff	6.3	6.6
compared to Academic University and subsidiary staff	10.3	10.9
compared to all staff	10.7	11.2

Total remuneration[1] for all other than the Vice-Chancellor excludes college allowances and benefits such as housing.

"All staff" comprises "Academic University and subsidiary staff" plus staff employed in educational publishing activities in the UK plus staff employed on temporary contracts through the University's Temporary Staffing Services (TSS) or on contracts with no fixed hours.

Trustees

No trustee has received any remuneration or waived payments from the University during the year in respect of their services as trustees (2022:£nil). The total expenses paid to or on behalf of trustees was £2,205 (2022: £1,165). This represents travel and other expenses incurred in attending Council and related meetings.

[1] Total remuneration used in the pay ratios excludes holiday pay and payments in lieu of sabbatical for both Vice-Chancellor and all staff.

Notes to Financial Statements – continued

9. Staff costs continued

Salary banding

Below are the numbers of members of staff throughout the University whose basic pay exceeded £100k. Following the guidance issued by the OfS, amounts reimbursed by another body (such as the National Health Service, or the research councils), bonus payments, employer pension contributions, compensation for loss of office and payments under early retirement schemes are not included in these figures.

A clinical staff member is a member of University who has a substantive academic contract of employment with the University, is required, as a condition of their employment, to hold GMC or GDC registration and, where relevant, a licence to practise.

Salary banding	2022/23 Number of employees			2021/22 Number of employees		
	Non Clinical	Clinical	Total	Non Clinical	Clinical	Total
£100,000 to £104,999	38	6	44	33	8	41
£105,000 to £109,999	35	11	46	19	6	25
£110,000 to £114,999	23	9	32	19	42	61
£115,000 to £119,999	19	40	59	10	-	10
£120,000 to £124,999	11	-	11	22	-	22
£125,000 to £129,999	11	-	11	11	-	11
£130,000 to £134,999	17	-	17	20	-	20
£135,000 to £139,999	14	-	14	6	-	6
£140,000 to £144,999	15	-	15	12	-	12
£145,000 to £149,999	5	-	5	5	-	5
£150,000 to £154,999	11	-	11	14	-	14
£155,000 to £159,999	6	-	6	5	-	5
£160,000 to £164,999	10	-	10	9	-	9
£165,000 to £169,999	6	-	6	8	-	8
£170,000 to £174,999	5	-	5	4	-	4
£175,000 to £179,999	8	-	8	1	-	1
£180,000 to £184,999	3	-	3	4	-	4
£185,000 to £189,999	3	-	3	3	-	3
£190,000 to £194,999	2	-	2	2	-	2
£195,000 to £199,999	2	-	2	1	-	1
£200,000 to £204,999	2	-	2	1	-	1
£205,000 to £209,999	3	-	3	-	-	-
£210,000 to £214,999	1	-	1	3	-	3
£215,000 to £219,999	1	-	1	-	-	-
£220,000 to £224,999	-	-	-	1	-	1
£225,000 to £229,999	1	-	1	-	-	-
£230,000 to £234,999	1	-	1	-	-	-
£235,000 to £239,999	1	-	1	-	-	-
£240,000 to £244,999	1	-	1	-	-	-
£245,000 to £249,999	-	-	-	3	-	3
£260,000 to £264,999	3	-	3	-	-	-
£280,000 to £284,999	1	-	1	1	-	1
£315,000 to £319,999	1	-	1	-	-	-
£325,000 to £329,999	-	-	-	1	-	1
£345,000 to £349,999	1	-	1	-	-	-
£365,000 to £369,999	-	-	-	2	-	2
£370,000 to £374,999	-	-	-	1	-	1
£380,000 to £384,999	1	-	1	-	-	-
£395,000 to £399,999	1	-	1	-	-	-
£400,000 to £404,999	-	-	-	1	-	1
£420,000 to £424,999	1	-	1	-	-	-
£580,000 to £584,999	-	-	-	1	-	1
£610,000 to £614,999	1	-	1	-	-	-
	265	**66**	**331**	**223**	**56**	**279**

Notes to Financial Statements – continued

9. Staff costs continued

Compensation for loss of office

During the year the University paid £6,093k in compensation for loss of office to 575 employees (2022: £4,291k to 488 employees). Of the 575 employees, 225 related to publishing.

The compensation payments were paid in cash funded from general income and expenditure reserves and were made under University policy as approved by the People Committee.

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. This includes compensation paid to key management personnel defined as: the Registrar, Pro-Vice-Chancellors with portfolio, Heads of Division, the Chief Executive of the Press and the Chief Financial Officer. The Vice-Chancellor is excluded from this figure and disclosed above.

	2022/23 £'000	2021/22 £'000
Key management personnel – total remuneration	**4,207**	**3,473**
Number of staff FTE	12.4	12.4
Key management personnel – average remuneration	**339**	**280**

Trade Union (Facility Time Publication Requirements) Regulations 2017

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require us to publish information on Trade Union facility time relating to a specific 12-month period. Facility time is the provision of paid or unpaid time off from an employee's normal role to undertake Trade Union duties and activities. There is a statutory entitlement to reasonable paid time off for undertaking union duties.

The number of University employees who were Trade Union officials during the period from 1 April 2022 to 31 March 2023 was 31 (29.8 FTE). The percentage of time spent by them on facility time was between 1% and 50%. The cost of this activity amounts to £79,279 representing 0.01% of the total pay bill in the relevant period. Of the total paid facility time, the proportion of hours spent on paid Trade Union activities (i.e. activities other than the duties for which there is a statutory entitlement to reasonable paid time off) was 57%.

Notes to Financial Statements – continued

10. Interest and other finance costs

	Consolidated		University	
	2022/23 £'m	2021/22 £'m	2022/23 £'m	2021/22 £'m
Interest on loans	7.2	6.1	6.9	6.1
Net charge on pension schemes	21.4	6.1	21.3	6.1
Interest on bond	25.4	25.3	25.4	25.3
	54.0	**37.5**	**53.6**	**37.5**

In this note the interest charge in the Press pension scheme (see note 37) has now been combined with the charge relating to other schemes (see note 28).

11. Operating expenditure

	2022/23		2022/23	2021/22
	Staff £'m	Non-Staff £'m	Total £'m	Total £'m
Academic departments	407.0	177.9	584.9	518.2
Research grants and contracts	356.9	257.8	614.7	590.0
Academic services	46.0	15.4	61.4	59.5
Publishing	199.0	405.7	604.7	590.3
Residence, catering and conferences	0.6	1.6	2.2	1.8
Bursaries and scholarships	0.5	77.5	78.0	83.6
Premises	25.4	119.1	144.5	109.7
Administration	117.8	86.5	204.3	180.7
Payments to colleges	-	115.4	115.4	106.0
Other expenses	9.4	9.3	18.7	18.7
AstraZeneca third party costs	5.8	(2.9)	2.9	33.3
Capital project expenditure	0.8	9.7	10.5	15.8
Movement in pension provision – University	(118.3)	-	(118.3)	364.7
Interest and other finance costs – University	-	53.6	53.6	37.5
	1,050.9	**1,326.6**	**2,377.5**	**2,709.8**
Subsidiary companies – HE	20.6	32.1	52.7	31.0
Subsidiary companies – publishing	45.5	91.1	136.6	110.5
Subsidiary companies – research activity	2.8	5.4	8.2	7.6
Subsidiary companies – AstraZeneca third party costs	-	5.6	5.6	34.2
Movement in pensions provision	0.2	-	0.2	3.9
Interest and other finance costs	-	0.4	0.4	-
	1,120.0	**1,461.2**	**2,581.2**	**2,897.0**

Depreciation and amortisation of £132.7m (2022: £124.7m) and interest and other finance costs of £54.0m (2022: £37.5m) are combined in the non-staff figures.

Notes to Financial Statements – continued

11. Operating expenditure continued

Other operating expenses include:

	Consolidated 2022/23 £'000	Consolidated 2021/22 £'000
Remuneration paid to auditors during the year was in respect of the following services:		
Audit services (Academic University audit)	644	446
Audit of the Academic University subsidiaries' annual financial statements	132	143
Audit services (inclusion of Press)	215	195
Audit services (Press for the year ended 31 March)	1,291	1,100
The Oxford Fund audit and associated services	159	101
Audit services (Oxford University Endowment Management Limited and associated entities for the year ended 31 December)	70	75
Audit services (inclusion of Oxford University Endowment Management Limited)	108	-
Total audit fees	**2,619**	**2,060**
DfE teacher training grant audits	8	4
OUP India procedures work	5	-
Oxford University Endowment Management Limited and associated entities procedures work	17	-
Total paid to Group Auditors	**2,649**	**2,064**
Small subsidiary audits by other audit providers	84	22
US student loan audits of University and colleges	41	22
Total fees to auditors	**2,774**	**2,108**

In addition to the amounts above, additional fees were incurred during 2022/23 in respect of the statutory audit of the 2021/22 annual report; University 223k, Consolidated 654k.

12. Taxation

	Consolidated		University	
	2022/23 £'m	2021/22 £'m	2022/23 £'m	2021/22 £'m
Current Tax				
UK Corporation Tax	2.2	1.2	-	0.2
Non-UK Corporation Tax	2.8	2.5	(3.7)	(1.4)
Deferred Tax	(1.4)	(0.4)	-	-
Taxation charge for the year	**3.6**	**3.3**	**(3.7)**	**(1.2)**

Within taxation, amounts are included in respect of the following matter: The Indian Tax Authority has assessed the Indian branch as "resident" since 1993, whereas in the view of management it should be assessed as non-resident. Following a recent tax audit, The Press has re-filed at the non-resident rate from 2015 onwards. Provisions are held reflecting the potential impact of differing interpretations of Oxford University Press India's tax status.

There were no material reconciling items to average applicable rates relating to items in respect of prior years.

Notes to Financial Statements – continued

12. Taxation continued

Factors affecting the tax charge	Consolidated 2022/23 £'m	Consolidated 2021/22 £'m	University 2022/23 £'m	University 2021/22 £'m
Surplus/(deficit) before taxation	173.3	(113.3)	146.1	(126.4)
Surplus/(deficit) on ordinary activities multiplied by the standard rate of corporation tax of 19% (2022:19%)	32.9	(21.5)	27.8	(24.0)
Less tax due on surplus falling within charitable exemption	(24.8)	27.4	(26.9)	27.8
Effect of overseas tax rates	3.7	4.6	1.1	1.6
Permanent differences	(0.3)	(3.8)	(0.1)	(0.9)
Other differences	(7.9)	(3.4)	(5.6)	(5.7)
Taxation charge for the year	**3.6**	**3.3**	**(3.7)**	**(1.2)**

13. Segmental information

The reportable segments for the combined Group are:

University – Academic: Teaching and research divisions with associated services and administration, investment and subsidiaries

University – Press: Publishing and related services, carried out by Oxford University Press

Year to 31 July 2023 Consolidated	University – Academic £'m	University – Press £'m	Eliminations and adjustments £'m	Total £'m
INCOME				
External	**2,093.9**	**830.8**	**-**	**2,924.7**
Transfers between segments	122.2	-	(122.2)	**-**
Total Income	2,216.1	830.8	(122.2)	**2,924.7**
Surplus before other gains	256.0	87.5	-	**343.5**
Total Comprehensive Income for the year	206.3	48.5	(122.2)	**132.6**
Included in surplus for the year:				
Investment income	169.5	11.0	-	**180.5**
Depreciation and amortisation	105.1	27.6	-	**132.7**
Interest payable	51.9	2.1	-	**54.0**
(Losses)/gains on investments	(167.0)	1.7	-	**(165.3)**
Decreases in pension deficit scheme provisions	118.1	-	-	**118.1**
Loss on associates and joint ventures	(2.0)	(0.7)	-	**(2.7)**
Taxation charge	(0.7)	(2.9)	-	**(3.6)**
Included in other comprehensive income for the year:				
Increase in defined benefit scheme provisions	-	(30.4)	-	**(30.4)**
Assets	**7,553.3**	**854.3**	**-**	**8,407.6**
Liabilities	**(2,689.4)**	**(333.2)**	**-**	**(3,022.6)**
Net Assets	**4,863.9**	**521.1**	**-**	**5,385.0**

13. Segmental Information continued

Year to 31 July 2022	University – Academic £'m	University – Press £'m	Eliminations and adjustments £'m	Total £'m
INCOME				
External	**1,956.3**	**819.1**	**-**	**2,775.4**
Transfers between segments	140.0	-	(140.0)	**-**
Total Income	2,096.3	819.1	(140.0)	**2,775.4**
(Deficit)/surplus before other gains	(238.9)	117.3		**(121.6)**
Total Comprehensive Income for the year	(118.4)	290.1	(140.0)	**31.7**
Included in surplus for the year:				
Investment income	120.4	9.7	-	**130.1**
Depreciation and amortisation	93.4	31.3	-	**124.7**
Interest payable	33.5	4.0	-	**37.5**
(Losses)/gains on investments	(31.5)	26.9	-	**(4.6)**
(Increases) in pension deficit scheme provisions	(368.6)	-	-	**(368.6)**
Loss on associates and joint ventures	(4.1)	(0.5)	-	**(4.6)**
Taxation charge	0.9	2.4	-	**3.3**
Included in other comprehensive income for the year:				
Decreases in defined benefit pension provisions	-	150.3	-	**150.3**
Assets	**7,482.7**	**945.7**	**-**	**8,428.4**
Liabilities	**(2,825.1)**	**(350.9)**	**-**	**(3,176.0)**
Net Assets	**4,657.6**	**594.8**	**-**	**5,252.4**

Eliminations and adjustments

The following eliminations and adjustments reconcile the total of segment amounts to the consolidated amounts in these financial statements.

The Press makes an annual transfer to the academic University. In 2023, it was £52.0m (2022: £40.0m). There were additional special transfers of £70.2m (2022:£100.0m).

Notes to Financial Statements – continued

14. Intangible assets and goodwill

Consolidated	Goodwill £'m	Medical datasets £'m	Software £'m	Acquired lists £'m	Total £'m
Cost					
As at 1 August 2022	**111.3**	**2.0**	**187.7**	**159.8**	**460.8**
Exchange adjustments	-	-	(1.0)	(5.0)	**(6.0)**
Additions	-	-	36.6	3.4	**40.0**
Disposals	(6.3)	-	(2.9)	(14.9)	**(24.1)**
As at 31 July 2023	**105.0**	**2.0**	**220.4**	**143.3**	**470.7**
Amortisation					
As at 1 August 2022	**111.3**	**0.4**	**117.0**	**135.0**	**363.7**
Exchange adjustments	-	-	(1.0)	(4.8)	**(5.8)**
Charge for the year	-	0.2	17.8	5.9	**23.9**
Disposals	(6.3)	-	(2.4)	(14.9)	**(23.6)**
As at 31 July 2023	**105.0**	**0.6**	**131.4**	**121.2**	**358.2**
Carrying Amount					
As at 31 July 2023	**-**	**1.4**	**89.0**	**22.1**	**112.5**
As at 1 August 2022	**-**	**1.6**	**70.7**	**24.8**	**97.1**

University	Goodwill £'m	Medical datasets £'m	Software £'m	Acquired lists £'m	Total £'m
Cost					
As at 1 August 2022	**99.0**	**2.0**	**179.1**	**157.7**	**437.8**
Exchange adjustments	-	-	(0.8)	(4.8)	**(5.6)**
Additions	-	-	36.5	3.4	**39.9**
Disposals	(2.5)	-	(2.4)	(14.9)	**(19.8)**
As at 31 July 2023	**96.5**	**2.0**	**212.4**	**141.4**	**452.3**
Amortisation					
As at 1 August 2022	**99.0**	**0.4**	**108.9**	**133.0**	**341.3**
Exchange adjustments	-	-	(0.8)	(4.7)	**(5.5)**
Charge for the year	-	0.2	17.5	5.9	**23.6**
Disposals	(2.5)	-	(1.9)	(14.9)	**(19.3)**
As at 31 July 2023	**96.5**	**0.6**	**123.7**	**119.3**	**340.1**
Carrying Amount					
As at 31 July 2023	**-**	**1.4**	**88.7**	**22.1**	**112.2**
As at 1 August 2022	**-**	**1.6**	**70.2**	**24.7**	**96.5**

Notes to Financial Statements – continued

15. Property, Plant and Equipment

Consolidated	Land and Buildings Freehold £'m	Leasehold £'m	Equipment & machinery £'m	Assets under construction £'m	Total £'m
Cost					
As at 1 August 2022	**2,072.0**	**36.2**	**233.7**	**59.1**	**2,401.0**
Exchange adjustments	(2.0)	(1.3)	(3.1)	(0.2)	**(6.6)**
Additions	1.8	0.6	29.3	121.5	**153.2**
Transfers on completion	15.9	-	8.4	(24.3)	**-**
Disposals	(8.6)	(8.0)	(32.5)	-	**(49.1)**
Transfer to investment property	3.6	-	-	-	**3.6**
As at 31 July 2023	**2,082.7**	**27.5**	**235.8**	**156.1**	**2,502.1**
Depreciation					
As at 1 August 2022	**803.1**	**20.0**	**119.8**	**-**	**942.9**
Exchange adjustments	(1.9)	(1.1)	(1.2)	-	**(4.2)**
Charge for the year	66.5	2.6	39.7	-	**108.8**
Disposals	(11.3)	(2.0)	(32.6)	-	**(45.9)**
Transfer to investment property	1.0	-	-	-	**1.0**
As at 31 July 2023	**857.4**	**19.5**	**125.7**	**-**	**1,002.6**
Net book value					
As at 31 July 2023	**1,225.3**	**8.0**	**110.1**	**156.1**	**1,499.5**
As at 1 August 2022	**1,268.9**	**16.2**	**113.9**	**59.1**	**1,458.1**
Leased assets included above:					
Net book value					
As at 31 July 2023	**-**	**8.0**	**-**	**-**	**8.0**
As at 1 August 2022	**-**	**16.2**	**-**	**-**	**16.2**

All Property, Plant and Equipment are stated at historic cost.

Land and buildings (Consolidated and University) includes £97.9m (2022: £97.9m) of freehold land on which no depreciation is charged.

Land and buildings (Consolidated and University) include properties financed and occupied by the University on NHS sites with a net book value of £41.8m (2022: £44.6m).

Equipment additions include £0.5m (2022: £5.1m) of labour capitalisation relating to internal IT resource, which has been applied to major IT projects.

Notes to Financial Statements – continued

15. Property, Plant and Equipment continued

University	Land and Buildings Freehold £'m	Land and Buildings Leasehold £'m	Equipment & machinery £'m	Assets under construction £'m	Total £'m
Cost					
As at 1 August 2022	**2,070.1**	**22.9**	**214.5**	**58.9**	**2,366.4**
Exchange adjustments	(1.8)	(0.1)	(0.9)	-	**(2.8)**
Additions	1.3	-	26.0	119.8	**147.1**
Transfers on completion	15.9	-	8.4	(24.3)	**-**
Disposals	(9.0)	(7.0)	(32.4)	-	**(48.4)**
Transfer to investment property	2.4	-	-	-	**2.4**
As at 31 July 2023	**2,078.9**	**15.8**	**215.6**	**154.4**	**2,464.7**
Depreciation					
As at 1 August 2022	**800.0**	**12.3**	**107.6**	**-**	**919.9**
Exchange adjustments	(1.3)	-	(0.8)	-	**(2.1)**
Charge for the year	66.5	1.0	37.3	-	**104.8**
Disposals	(11.3)	(1.7)	(31.8)	-	**(44.8)**
Transfer to/from investment property	0.3	-	-	-	**0.3**
As at 31 July 2023	**854.2**	**11.6**	**112.3**	**-**	**978.1**
Net book value					
As at 31 July 2023	**1,224.7**	**4.2**	**103.3**	**154.4**	**1,486.6**
As at 1 August 2022	**1,270.1**	**10.6**	**106.9**	**58.9**	**1,446.5**
Leased assets included above:					
Net book value					
As at 31 July 2023	**-**	**4.2**	**-**	**-**	**4.2**
As at 1 August 2022	**-**	**10.6**	**-**	**-**	**10.6**

Notes to Financial Statements – continued

16. Heritage assets

The University of Oxford collections relate to museums, libraries, and other collections. The University objectives are to make the collections a focus for research, teaching, and collection-based scholarship within the University. The collections are used as a research resource for a wide range of scholarly users, a facility for interaction between the University and the public and an active contributor to the region's cultural development.

The cost of new heritage asset acquisitions in 2022/3 was £1.2m (2022:£0.4m). The single largest acquisition was the Raymond Chandler Archive. Disposals are unlikely as most donations have conditions preventing disposal. The costs of donated assets are based on valuations by experts in the relevant field.

Consolidated and University Heritage assets	2018/19 £'m	2019/20 £'m	2020/21 £'m	2021/22 £'m	2022/23 £'m
Brought forward	**86.8**	**93.1**	**94.9**	**104.7**	**107.9**
Acquisitions purchased with specific donations	0.1	0.7	0.6	0.1	0.7
Acquisitions purchased with University funds	-	-	-	0.3	0.5
Total cost of acquisitions purchased	**0.1**	**0.7**	**0.6**	**0.4**	**1.2**
Value of acquisitions by donation	**6.2**	**1.1**	**9.2**	**2.8**	**3.2**
Carried forward	**93.1**	**94.9**	**104.7**	**107.9**	**112.3**

Heritage assets of £3.2m were donated in the year (2022: £2.8m). The largest donation was the Archive of Shirley Hughes. These donations are shown as a separate item in the Statement of Comprehensive Income.

Expenditure required to preserve heritage assets is recognised in the Statement of Comprehensive Income when incurred.

Notes to Financial Statements – continued

17. Non-current investments

	Note	Consolidated 2023 £'m	Consolidated 2022 £'m	University 2023 £'m	University 2022 £'m
Investments stated at market value:					
Spinout companies		168.7	107.9	163.6	104.0
Investment property		333.5	335.8	333.4	335.8
The Oxford Funds		3,557.8	3,641.6	3,481.8	3,561.6
Global and Private equities		88.4	176.4	88.2	176.1
Oxford Sciences Enterprises		60.3	60.3	60.3	60.3
Other assets		2.1	2.5	2.1	2.5
Third-party managed		321.5	262.3	321.5	262.3
Bonds		480.0	389.1	479.9	389.0
Investments stated at cost / deemed cost:					
Spinout companies at cost less impairment		47.2	82.7	43.0	77.9
Subsidiaries and joint ventures		7.0	12.5	106.2	104.0
Total at end of year		**5,066.5**	**5,071.1**	**5,080.0**	**5,073.5**
Investment assets held are split between reserves as follows:					
Income and expenditure reserves		3,540.2	3,501.2	3,629.6	3,583.6
Endowment reserves	30	1,526.3	1,569.9	1,450.4	1,489.9
		5,066.5	**5,071.1**	**5,080.0**	**5,073.5**

As explained in the Statement of Accounting Policies only the University's interest in The Oxford Funds is shown in investments stated at market value.

The investment market value gain is shown in note 7.

Investment properties are measured at fair value, based on the valuation undertaken by an independent Chartered Surveyor and updated annually for market movement. A selection of properties are visited and revalued each year, with every property revalued every three years, with other properties valued by a desk based review by the independent Chartered Surveyor.

Investment properties	Consolidated £'m	University £'m
Fair value at 1 August 2022	**335.8**	**335.8**
Exchange adjustments	(0.2)	(0.2)
Transfer out	(2.8)	(2.9)
Disposal	(15.7)	(15.7)
Gain on fair value adjustments	16.4	16.4
Fair value at 31 July 2023	**333.5**	**333.4**

Notes to Financial Statements – continued

17. Non current investments continued

The investment in The Oxford Funds is split into the following investment types:	2023	2022
Investments stated at market value:		
Investment property	6%	5%
Global and Private equities	40%	39%
Credit and opportunities	8%	13%
Public equity	37%	34%
Directly held securities	9%	10%

18. Investment in subsidiaries and associates

Subsidiaries

As at 31 July 2023 the University exercised control of the following subsidiary undertakings (excluding dormant undertakings):

	Country of incorporation	Nature of activity	% Interest
Ecosystem Capital Ltd[5]	England	Buying and selling of own real estate	100
Endowment Estates Ltd[5]	England	Investment management services	100
Instruct Academic Services Ltd (dissolved 31 October 2023)	England	Scientific facilities-sharing infrastructure services	100
James Martin 21st Century (UK) Trust [4]	England	Endowment management	100
OUC Investments Ltd	England	Head office activities	100
Oxford Ltd	England	Retail and other trading activities	100
Oxford Advanced Research Centres Ltd	England	Head office activities	100
Oxford in Berlin gGmbH	Germany	Head office activities	100
Oxford Mutual Ltd[1]	England	Provision of discretionary cover	100
Oxford Research South Africa Ltd[3]	England	Social policy research	100
Oxford Saïd Business School Ltd	England	Executive education	100
Oxford University (Beijing) Science & Technology Co. Ltd (in liquidation)	China	No activity	100
Oxford University Clinical Research Unit Nepal	Nepal	Clinical research	100
Oxford University Development (North America), Inc.	United States of America	Office administration	100
Oxford University Endowment Management Ltd	England	Investment management services	100
Oxford University Fixed Assets Ltd	England	Building management and utilities	100
Oxford University Innovation Ltd	England	Commercial exploitation of intellectual property	100
Oxford University Innovation (Hong Kong) Ltd[2 5]	Hong Kong	Commercial exploitation of intellectual property	100
Oxford University (Suzhou) Science & Technology Co. Ltd[5]	China	Mathematical, Physical and Life Sciences research	100
Oxford University Trading Ltd	England	General trading activities	100
TOF Corporate Trustee Ltd[5]	England	Fund management activities	100
University of Oxford China Office Ltd	Hong Kong	Fundraising and alumni relations	100

Notes to Financial Statements – continued

18. Investment in subsidiaries and associates continued

OUP Subsidiaries

	Country of incorporation	Nature of activity	% Interest
bab.la GmbH [5,6]	Germany	Provision of sales to unrelated parties	100
Dentingan Kejayaan Sdn Bhd [6]	Malaysia	Property management	100
Epigeum Ltd [6]	England	Provision of sales to unrelated parties	100
MyMaths Pty Ltd [6]	Australia	Sales, marketing and distribution	100
OUP Egypt Ltd	Egypt	Sales, marketing and distribution	100
OUP India Private Ltd [5,6]	India	Sales, marketing and distribution	100
OUP Properties SA Proprietary Ltd [3]	South Africa	Property management	100
Oxford University Press Argentina S.A. [5,6]	Argentina	Sales, marketing and distribution	100
Oxford University Press do Brasil Publicacoes Limitada [5,6]	Brazil	Sales, marketing and distribution	100
Oxford University Press (Shanghai) Ltd [5,6]	China	Sales, marketing and distribution	100
Oxford University Press (China) Ltd [6]	China (Hong Kong)	Manufacturing or production	100
Oxford University Press (Cyprus) Ltd [6]	Cyprus	Sales, marketing and distribution	100
Oxford University Press GmbH [5,6]	Germany	Sales, marketing and distribution	100
Oxford University Press Hungary Kft v.a. [5,6]	Hungary	Administrative, management or support services	100
Oxford University Press India Private Ltd [5,6]	India	Administrative, management or support services	100
Oxford University Press Srl [5,6]	Italy	Sales, marketing and distribution	100
Oxford University Press Kabushiki Kaisha [6]	Japan	Sales, marketing and distribution	100
Oxford University Press East Africa Ltd [5,6]	Kenya	Sales, marketing and distribution	100
Oxford University Press Korea Ltd [5,6]	Korea, Republic of	Sales, marketing and distribution	100
Oxford University Press Lesotho (Proprietary) Ltd [5,6]	Lesotho	Sales, marketing and distribution	100
Oxford University Press (Macau) Ltd [5,6]	Macau	Administrative, management or support services	100
Oxford Publishing (Malaysia) SDN BHD [5,6]	Malaysia	Sales, marketing and distribution	100
Oxford University Press Mexico SA de CV [5,6]	Mexico	Sales, marketing and distribution	100
Oxford University Press Namibia (Proprietary) Ltd [5,6]	Namibia	Sales, marketing and distribution	100
Oxford University Press Pakistan (SMC-Private) Limited [5,6]	Pakistan	Sales, marketing and distribution	100
Oxford University Press Polska sp. z o.o. [5,6]	Poland	Sales, marketing and distribution	100
Oxford University Press (Singapore) Pte Ltd [5,6]	Singapore	Sales, marketing and distribution	100
Oxford University Press Orbis Proprietary Ltd [5,6]	South Africa	Sales, marketing and distribution	100
Oxford University Press España S.A. [5,6]	Spain	Publishing	100
Oxford University Press Tanzania Ltd [5,6]	Tanzania, United Republic of	Administrative, management or support services	100
Oxford Yayincilik Limited Sirketi [5,6]	Turkey	Sales, marketing and distribution	100
Oxford Fajar SDN BHD [5,6]	Malaysia	Sales, marketing and distribution	70
OELT Ltd [6]	England	Sales, marketing and distribution	100
OUP Group Pension Trustee Ltd	England	Administrative, management or support services	100
Oxford Information Ltd [6]	England	Sales, marketing and distribution	100
Oxford Publishing Ltd [6]	England	Holding or managing intellectual property	100
Oxford Reference Ltd [6]	England	Sales, marketing and distribution	100
Oxuniprint Ltd [6]	England	Manufacturing or production	100

Notes to Financial Statements – continued

18. Investment in subsidiaries and associates continued

As part of the Crankstart (formerly Mortiz-Heyman (see note 30) endowment, the University invests in the Sequoia Heritage fund through SCHF OU, LP. The University has a majority share of the capital and reserves of SCHF OU, LP but has no demonstrable control so it is not treated as a subsidiary, instead it is recognised as an investment asset.

All subsidiary undertakings have been included within the consolidated Financial Statements. Subsidiary undertakings prepare accounts to 31 July each year except for; Press subsidiaries which draw up accounts to 31 March and Ecosystem Capital Ltd, Endowment Estates Ltd, Oxford University (Beijing) Science and Technology Co Ltd, Oxford (Suzhou) Science and Technology Ltd, Oxford University Endowment Management Ltd and TOF Corporate Trustee Ltd which draw up accounts to 31 December each year.

[1] Oxford Mutual Ltd is a company limited by guarantee. The members of Oxford Mutual Ltd are the University, Instruct Academic Services Ltd, Jenner Vaccine Foundation, OUC Investments Ltd, Oxford Advanced Research Centres Ltd, Oxford Ltd, Oxford Research South Africa Ltd, Oxford Saïd Business School Ltd, Oxford University Endowment Management Ltd, Oxford University Fixed Assets Ltd, Oxford University Innovation Ltd, Oxford University Innovation Centres Ltd, Oxford University Trading Ltd and The Gray Laboratory Cancer Research Trust.

[2] Oxford University Innovation (Hong Kong) Ltd is a wholly-owned subsidiary of Oxford University Innovation Ltd.

[3] Registered as an external company in South Africa.

[4] James Martin 21st Century (UK) Trust is a charitable trust in the United Kingdom where the University has the power to appoint the majority of the trustees.

[5] Owned by a subsidiary undertaking.

[6] Year-end of 31 March - management accounts used to provide 31 July results.

University holdings in subsidiaries	**£'m**
Cost	
As at 1 August 2022	104.0
New investment	2.2
As at 31 July 2023	**106.2**

Joint ventures

University joint ventures	**Proportion of nominal value**	**Country of incorporation**	**Value as at 1 August 2022**	**Investment**	**Share of surplus/ (deficit) for year**	**Value as at 31 July 2023**
	%		**£'m**	**£'m**	**£'m**	**£'m**
ITEXT Limited	50	England	0.5	-	-	0.5
Oxford International AQA Examinations Ltd	50	England	-	-	-	-
Health Research Operations Kenya Ltd (formerly African Research Collaboration for Health Ltd)	50	Kenya	6.3	-	0.1	6.4
Oxford University Clinic LLP and its subsidiaries	50	England	0.1	-	(0.1)	-
Warneford Park LLP	50	England	-	-	-	-
Proxemis Ltd	50	England	-	0.1	-	0.1
Global Malaria Vaccines GmbH	50	Germany	-	-	-	-
Carrying value reported as joint ventures (note 17)			**6.9**	**0.1**	**-**	**7.0**
Consolidated joint venture: Jenner Vaccine Foundation	50	England	0.5	-	-	0.5
Negative interest in joint venture included in provisions : Oxford University Property Development Ltd and its subsidiaries, Oxford University Development Ltd and OUPM Ltd	50	England	(1.3)	-	(2.7)	(4.0)
Total			**6.1**	**0.1**	**(2.7)**	**3.5**

Notes to Financial Statements – continued

18. Investment in subsidiaries and associates continued

Associates

As at 31 July 2023 the University exerted significant influence but not control or joint control over the following associated undertakings (excluding any dormant undertakings). Materially all the carrying value of associates relates to investments in the spinout portfolio. The carrying value is included under Spinout companies in note 17.

	Country of incorporation	Nature of activity	% Interest
Designer Carbon Materials Ltd	England	Commercial exploitation of intellectual property	46.9
Oxford University Innovation Technology Transfer (Changzhou) Co. Ltd [1]	China	Technology transfer	40.0
PalaeoPi Ltd	England	Information technology consultancy activities	33.3
Vaccine Manufacturing and Innovation Centre UK Ltd (in liquidation)	England	Manufacture of basic pharmaceutical products	33.3
Oxford Ancestors Ltd	England	Commercial exploitation of intellectual property	31.6
Oxford University Innovation Technology Transfer (Suzhou) Co. Ltd [2]	China	Technology transfer	30.0
ReOx Ltd (in liquidation)	England	Therapeutics	28.1
Oxford Electromagnetic Solutions Ltd	England	Commercial exploitation of intellectual property	26.3
Shenzhen Zhongjin International Technology Transfer Center Ltd [3]	China	Technology transfer	25.0
Oxed and Assessment Ltd	England	Educational Support Services	25.0
Oxvalue.ai Ltd	England	Management consultancy activities other than financial management	22.1
TDeltaS Ltd	England	Commercial exploitation of intellectual property	22.0
Kepler Energy Ltd	England	Commercial exploitation of intellectual property	21.9
Oxford MultiSpectral Ltd	England	Commercial exploitation of intellectual property	21.8
InkPath Ltd	England	Commercial exploitation of intellectual property	21.7
Minervation Ltd	England	Commercial exploitation of intellectual property	21.1
OxVax Ltd (in liquidation)	England	Therapeutics	20.9
Lithits Ltd (dissolved 12 September 2023)	England	Software and Internet	20.3
Aurox Ltd	England	Commercial exploitation of intellectual property	20.0
Augmented Intelligence Labs Ltd	England	Software and Internet	20.0
Rogue Interrobang Ltd	England	Other technology	20.0

The associated undertakings prepare accounts to various year-ends.

[1] Oxford University Innovation (Hong Kong) Ltd has entered into a joint venture with the Changzhou government in China.

[2] Oxford University Innovation (Hong Kong) Ltd has established a Sino-foreign joint venture in partnership with the Suzhou city government and Oxlink Investment Consulting Co. Ltd (Oxlink). Oxlink is a company registered in PRC.

[3] Oxford University Innovation (Hong Kong) Ltd has established a Sino-foreign joint venture in partnership with Shenzhen Jinyucheng Science and Technology Co.Ltd (Jinyucheng), and Shenzhen Guochuang Lianhe Science and Technology Investment Co. Ltd (Guochuang). Jinyucheng and Guochuang are companies registered in PRC.

Notes to Financial Statements – continued

19. Inventories and work-in-progress

	Consolidated		University	
	2023 £'m	2022 £'m	2023 £'m	2022 £'m
Raw materials for publishing	0.8	1.0	0.1	0.4
Work in progress and printed sheets	3.3	4.8	2.2	3.7
Bound books	67.9	58.5	48.1	45.1
Other goods for resale	2.9	2.9	2.8	2.2
Inventories and work-in-progress	**74.9**	**67.2**	**53.2**	**51.4**
Intangible assets pre-publication costs	**18.9**	**19.5**	**17.4**	**17.5**

There is no material difference between the balance sheet value of inventories and their replacement cost.

20. Trade and other receivables falling due within one year

	Consolidated		University	
	2023 £'m	2022 £'m	2023 £'m	2022 £'m
Research grants receivable	176.0	172.6	175.7	172.6
Prepayments and accrued income	83.6	90.8	60.2	70.0
Derivative financial assets	1.8	2.7	1.8	2.7
Endowment/trust pledges	30.2	13.7	30.2	13.7
Other trade receivables	263.0	260.9	187.9	195.2
Other receivables	87.9	68.7	51.0	31.9
Amounts due from subsidiaries*	-	-	81.3	57.5
	642.5	**609.4**	**588.1**	**543.6**

21. Receivables amounts falling due after more than one year

	Consolidated		University	
	2023 £'m	2022 £'m	2023 £'m	2022 £'m
Derivative financial assets	-	0.2	-	0.2
Endowment/trust pledges	26.6	45.3	26.6	45.3
Amounts due from subsidiaries*	-	-	-	2.9
Other receivables	2.2	2.6	2.2	(0.3)
	28.8	**48.1**	**28.8**	**48.1**

Other receivables include loans to staff for housing in conjunction with recruitment and endowments receivable on payment plans over more than one year.

*Amounts due from subsidiaries falling due within one year include a loan of £3m from OUFAL which is interest bearing and is repayable on demand. All other balances represent trading balances and are non-interest bearing and repayable on demand.

Notes to Financial Statements – continued

22. Current investments

	Consolidated		University	
	2023	2022 Restated	2023	2022 Restated
	£'m	£'m	£'m	£'m
As at 1 August	222.8	359.5	169.1	309.9
Additions/(disposals)	(21.7)	(136.7)	(51.8)	(140.8)
At 31 July	**201.1**	**222.8**	**117.3**	**169.1**

Refer to note 23 for details of the restatement.

23. Cash and cash equivalents

Consolidated	At 1 August 2022 Restated £'m	Cash flows £'m	31 July 2023 £'m
Cash and cash equivalents	726.6	(76.1)	650.5
Investment assets cash	0.6	(0.5)	0.1
	727.2	**(76.6)**	**650.6**

University	At 1 August 2022 Restated £'m	Cash flows £'m	31 July 2023 £'m
Cash and cash equivalents	661.9	(52.7)	609.2
Investment assets cash	0.6	(0.5)	0.1
	662.5	**(53.2)**	**609.3**

In the current year management reassessed the treatment of investments in certain money market funds that were historically treated as cash equivalents (and therefore included in total cash and cash equivalents in the statement of cash flows and presented within "cash and cash equivalents" in the balance sheet). In the current year management determined that, for some of the funds held, the nature of the funds and the assets held by the fund meant that the units were not subject to insignificant risk of change in fair value and therefore did not meet the definition of a cash equivalent. As a result, an amount of £81.9m has been reclassified in the balance sheet at 31 July 2022 from "cash and cash equivalents" to "current investments".

In the cash flow statement for 2021/22, "cash and cash equivalents" at the start of the year and the end of the year reduced by £104.9m and £81.9m respectively, with a corresponding decrease in cash flows used in investing activities for the year ended 31 July 2022.

24. Consolidated reconciliation of net debt

	£'m
Net debt as at 1 August 2022 (restated)	(522.4)
Movement in cash and cash equivalents	(76.6)
Repayment of debt and overdrafts	24.7
Net debt as at 31 July 2023	**(574.3)**

Notes to Financial Statements – continued

24. Consolidated reconciliation of net debt continued

Analysis of net debt	2023 £'m	2022 Restated £'m
Cash and cash equivalents	650.6	727.2
Borrowings: amounts falling due within one year		
Unsecured loans	(7.4)	(8.1)
Bank overdraft	(17.8)	(32.2)
Derivatives	(1.3)	(4.7)
Borrowings: amounts falling due after more than one year		
Unsecured loans	(198.4)	(204.6)
Bonds	(1,000.0)	(1,000.0)
Net debt	**(574.3)**	**(522.4)**

Refer to note 23 for details of the restatement.The University has taken the allowed exemption under FRS 102 to not produce a University only version of the reconciliation of net debt.

25. Creditors: amounts falling due within one year

		Consolidated		University	
	Note	2023 £'m	2022 £'m	2023 £'m	2022 £'m
Research grants creditors		438.6	448.5	430.0	437.2
Accruals and deferred income		364.8	379.7	339.1	358.9
Capital grants with performance conditions		94.0	57.1	94.0	57.1
Unsecured bank loans	26	7.4	8.0	6.2	7.1
Bank overdrafts		17.8	32.2	-	12.0
Derivative financial liabilities		1.3	4.7	1.3	4.7
Corporation tax due		11.8	9.2	2.7	7.6
Social security and other taxation payable		40.6	46.4	39.9	51.5
Trade payables		175.8	225.4	153.7	172.3
Amounts due to subsidiaries*		-	-	27.5	16.7
		1,152.1	**1,211.2**	**1,094.4**	**1,125.1**

26. Creditors: amounts falling due after more than one year

	Consolidated		University	
	2023 £'m	2022 £'m	2023 £'m	2022 £'m
Deferred income – Oxford Sciences Enterprises plc	23.8	27.6	23.8	27.6
Bank loans	198.4	204.6	198.4	204.6
100-year bonds issued	1,000.0	1,000.0	1,000.0	1,000.0
Bond premium account	46.1	46.3	46.1	46.3
Other creditors	4.1	7.0	0.9	2.6
Amounts due to subsidiaries*	-	-	0.3	24.1
Loan to Blavatnik School of Government	-	3.0	-	3.0
	1,272.4	**1,288.5**	**1,269.5**	**1,308.2**

Notes to Financial Statements – continued

26. Creditors: amounts falling due after more than one year continued

	Consolidated		University	
	2023 £'m	2022 £'m	2023 £'m	2022 £'m
Analysis of unsecured bank loans:				
Due between one and two years	6.3	6.2	6.3	6.2
Due between two and five years	20.0	19.5	20.0	19.5
Due in five years or more	172.1	178.9	172.1	178.9
	198.4	**204.6**	**198.4**	**204.6**

*Amounts due to subsidiaries represent trading balances that are non-interest bearing and repayable on demand.

	Loan 1 £'m	Loan 2 £'m	Loan 3* £'m	Total £'m
Bank Loans				
Amount borrowed	25.0	200.0	1.3	**226.3**
Amount outstanding at 31 July 2023	25.0	179.5	1.3	**205.8**
Interest rate	5.07 %	2.55%	TIIE + 3.25%	**-**
Final repayment date	June 2047	June 2045	Oct 2023	**-**
Amount due within one year	-	6.1	1.3	**7.4**
Amount due between one and two years	-	6.3	-	**6.3**
Amount due between two and five years	-	20.0	-	**20.0**
Amount due after five years	25.0	147.1	-	**172.1**
	25.0	**179.5**	**1.3**	**205.8**

*Loan 3 is comprised of 3 loans with similar terms, all provided by the same institution but with different final repayment dates. The last repayment date is Oct 2023.

The University entered into an agreement with Oxford Sciences Enterprises (formally Oxford Sciences Innovation plc) (OSE) in 2015/16. In return for 50% of its stake in each company spun out from Medical Science and Mathematical, Physical and Life Sciences over a period of 15 years, the University received a 5% non-dilutable stake in OSE. This stake was initially valued at £17.5m but additional fund raising has taken place since totalling £28.1m. The fair value of the shares transferred is treated as deferred income and is released to the Statement of Comprehensive Income over the 15-year period of the agreement. The amount due to be released in 2023/24 is included in Creditors: within one year, with the remaining balance included in Creditors: after more than one year.

Bond

On 9 December 2017, the University issued £750.0m of 2.544% unsecured bonds due December 2117. The bonds were issued at 99.3% of their principal amount and the proceeds of issue, less directly attributable transaction costs amounted to £744.7m. The bonds are listed on the London Stock Exchange. Interest at 2.544% is payable in December each year. Unless previously redeemed, the bonds will be redeemed at their principal amount of £750.0m on 7 December 2117. After initial recognition of the bonds at proceeds of issue less all transaction costs directly attributable to the issue, the bonds are measured at amortised cost using the effective interest rate method. Under this method the discount at which the bonds were issued and the transaction costs are accounted for as additional interest expense over the term of the bonds.

On 22 January 2020, a further tranche of the bonds were issued with the same terms and repayment date. These bonds were issued at 122.37% of their principal amounts and the proceeds of issue, less directly attributable transaction costs, amounted to £0.4m. The premium over the nominal value is held in a Bond Premium account and will be amortised over the life of the bond, reducing the interest charge for these years.

Notes to Financial Statements – continued

27. Financial instruments

The carrying values of the Group and the University's financial assets and liabilities are summarised by the categories below:

Financial assets	Note	Consolidated 2023 £'m	Consolidated 2022 Restated £'m
Measured at fair value through profit or loss			
Spinout companies held at fair value	17	168.7	107.9
The Oxford Funds	17	3,557.8	3,641.6
Global & private equities, public equity	17	148.7	236.7
Other assets	17	2.1	2.5
Third-party managed	17	321.5	262.3
Bonds	17	480.0	389.1
Derivative financial assets maturing within 12 months	20	1.8	2.7
Derivative financial assets maturing after more than 12 months	21	-	0.2
Measured at undiscounted amount receivable			
Trade and other receivables	20	642.5	609.4
Measured at cost less impairment			
Spinout companies at cost less impairment	17	47.2	82.7
Current asset unlisted investments	22	201.1	228.8
		5,571.4	**5,563.9**

Refer to note 23 for details of the restatement.

Financial liabilities	Note	Consolidated 2023 £'m	Consolidated 2022 £'m
Measured at fair value through profit or loss			
Derivative financial liabilities maturing within 12 months	25	1.3	4.7
Measured at amortised cost			
Bond	26	1,000.0	1,000.0
Loans payable	25,26	205.8	212.6
Measured at undiscounted amount payable			
Liabilities due after more than one year		74.0	83.9
Trade and other payables	25	175.8	225.4
		1,456.9	**1,526.6**

Derivative financial instruments

Derivatives that are designated and effective as hedging instruments are carried at fair value.

Nature and extent of risks arising from financial instruments

In the ordinary course of its activities, the University manages a variety of financial risks including credit risk, liquidity risk, market or interest rate risk and foreign currency risk.

Credit risk

Credit risk is the risk that the University would incur a financial loss if a counterparty were to fail to discharge its obligations to the University. The University is exposed to credit risk in respect of its financial assets held with various counterparties. The University aims to minimise its counterparty credit risk exposure by monitoring the size of its credit exposure to, and the creditworthiness of, counterparties, including setting appropriate exposure limits and maturities.

Notes to Financial Statements – continued

27. Financial instruments continued

Liquidity risk

Liquidity risk is the risk that the University will encounter difficulties raising cash to meet its obligations when they fall due. Obligations are associated with financial liabilities and capital commitments. The University monitors its exposure to liquidity risk by regularly monitoring its liabilities and commitments and holding appropriate levels of liquid assets. The academic University targets a minimum cash balance of £50m which provides same day liquidity, and holds other cash resources which provide access to liquidity at short notice. The academic University has debt obligations which are all repayable on fixed terms and not subject to repayment on demand. Short-term cash and liquidity forecasts are updated daily and longer-term forecasts monthly, these forecasts are reviewed by the Head of Treasury on a daily basis and are regularly presented to the Finance Committee of the University.

As at 31 July 2023	Under one year	Between 1 and 5 years	More than 5 years	Total
Bond liabilities	-	-	1,000.0	1,000.0
Bank loans	7.4	26.3	172.1	205.8
Bank overdrafts	17.8	-	-	17.8
Total	**25.2**	**26.3**	**1,172.1**	**1,223.6**

As at 31 July 2022	Under one year	Between 1 and 5 years	More than 5 years	Total
Bond liabilities	-	-	1,000.0	1,000.0
Bank loans	8.0	25.7	179.0	212.7
Bank overdrafts	32.2	-	-	32.2
Total	**40.2**	**25.7**	**1,179.0**	**1,244.9**

Market and price risk

Market risk is that financial instruments will change in value due to changes in market value.

The University seeks to ensure that its stated treasury management policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sums it invests, and will accordingly seek to protect itself from the effects of such fluctuations.

The main investment vehicles for the University are The Oxford Funds managed by Oxford University Endowment Management (OUem). As the investments in The Oxford Funds are held at fair value, the changes in price directly affect the University's net assets.

This is a key risk to the University because of the significance of the endowments and funds invested and the dependence of plans on maintaining the value of the endowment in real terms.

OUem 'constantly evaluate a range of metrics and exposures to ensure that our fundamental views produce an optimal portfolio positioning'. OUem consider performance, liquidity management, currency exposure, sector exposure and environmental, social and governance risks when making investment decisions. Further details can be found in the Annual Report of the Oxford Endowment Funds at www.ouem.co.uk.

The University Investment Committee, which consists of people with recent and relevant experience of investment management, meets quarterly to review the work of investment managers and monitor risk.

Notes to Financial Statements – continued

27. Financial instruments continued

Foreign currency risk

Foreign currency risk is the risk that the sterling value of financial instruments will change due to exchange rate movements. The University manages foreign currency transactional exposure in relation to forecast foreign currency sales and purchases and research contracts. In order to manage the foreign currency risk, the University enters into foreign currency forward contracts and/or foreign exchange swaps, with approved counterparties, to hedge the volatility in cash flows due to fluctuations in exchange rates. The prospective effectiveness of hedging instruments is assessed on an economic basis. To the extent that there exists either over-hedging in terms of quantum, or timing, the differences between the hedging instrument and the forecast exposure hedged item, an ineffective portion is calculated.

Consolidated and University	**Current**		**Non-current**	
	2023 £'m	**2022 £'m**	**2023 £'m**	**2022 £'m**
Forward foreign currency contracts for publishing – assets	1.8	2.7	-	0.2
Forward foreign currency contracts for publishing – liabilities	(1.2)	(4.7)	-	(0.6)
Forward foreign currency contracts for research	-	6.6	-	-
	0.6	**4.6**	**-**	**(0.4)**

These are in the following currencies:

	2023 £'m	**2022 £'m**
US Dollars	0.7	(1.9)
Euros	0.3	6.1
Hong Kong Dollars	(0.2)	0.1
Other	(0.2)	(0.1)
Total	**0.6**	**4.2**

The impact on total recognised gains for the year 2022/23 of additional 10% variations in the principal exchange rates would have been:

	2023 £'m	**2022 £'m**
10% US Dollar appreciation	0.1	(0.2)
10% Euro appreciation	-	0.6
10% HK Dollar appreciation	-	-

Notes to Financial Statements – continued

27. Financial instruments continued

Such contracts are initially recognised at fair value on the date on which the contract is entered into and are subsequently re-measured to fair value. Forward currency contracts are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in fair value are recognised in the Statement of Comprehensive Income. The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

The nominal value of current research hedging contracts in place at 31 July 2023 was £nil and the contracts, when marked to market, showed an unrealised gain of £nil. In 2022, the value was £6.6m and the contracts, when marked to market, showed an unrealised gain of £0.2m.

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge (i.e. a hedge against a highly probable forecast cash flow) is recognised in the effective portion of changes in fair value of cash flow hedges. Any remaining gain or loss on the hedging instrument is hedge ineffectiveness recognised in the Statement of Comprehensive Income.

Interest rate risk

The University is exposed to risk in terms of its exposure to interest rate movements on its borrowings and investments. The University takes into account the possible effects of a change in interest rates on the fair value and cash flows of the interest-bearing financial assets and liabilities when making investment decisions. The University's main financing relates to 100-year bonds. The interest rate attached to the bond is fixed over the term.

The Group's cash flow interest rate risks relates to:

- Fixed rate financial instruments where benefits of interest rate reductions are lost - a 1% basis point rate reduction gives a lost benefit of £7.6m

Fair values

Debtors and current liabilities are stated at book value which are not materially different from fair values.

Bond liabilities are measured at amortised cost of £1,000m (2022:£1,000m).

The fair value of the bond at 31 July 2023 was £519m based on the trading price (2022: £834m).

Fair value measurements

The following tables categorise the fair values of the University's consolidated investment assets and liabilities based on the inputs to the valuation. Within the hierarchy, categorisation has been determined on the basis of lowest level input that is significant to the fair value measurement of the relevant assets as follows:

Level 1: Valued using quoted prices in active markets for identical assets.

Level 2: Valued by reference to valuation techniques using observable inputs other than quoted prices included within Level 1.

Level 3: Valued by reference to valuation techniques using inputs that are not based on observable market data.

Notes to Financial Statements – continued

27. Financial instruments continued

Valuation at 31 July 2023	Level 1 £'m	Level 2 £'m	Level 3 £'m	Total £'m
Spinout companies	22.6	-	146.1	168.7
Investment properties	-	-	333.5	333.5
The Oxford Funds*	-	3,557.8	-	3,557.8
Global and private equities	88.4	-	-	88.4
Oxford Sciences Enterprises	-	-	60.3	60.3
Third-party managed	-	-	321.5	321.5
Bonds	480.0	-	-	480.0
Other assets	-	-	2.1	2.1
Total	**591.0**	**3,557.8**	**863.5**	**5,012.3**

Valuation at 31 July 2022	Level 1 £'m	Level 2 £'m	Level 3 £'m	Total £'m
Spinout companies	31.1	-	76.8	107.9
Investment properties	-	-	335.8	335.8
The Oxford Funds*	-	3,641.6	-	3,641.6
Global and private equities	176.4	-	-	176.4
Oxford Sciences Enterprises	-	-	60.3	60.3
Third-party managed	-	-	262.3	262.3
Bonds	389.1	-	-	389.1
Other Assets	-	-	2.5	2.5
Total	**596.6**	**3,641.6**	**737.7**	**4,975.9**

*The Oxford Funds are recorded as Level 2 investments as the University can buy or sell these investments at the quoted price from The Oxford Funds.

The University has taken the allowed exemption under FRS 102 to not produce a University only version of the Financial instruments note.

Notes to Financial Statements – continued

28. Pension scheme provisions

Deficit Recovery Plans - Provisions for Defined Benefit Pension Schemes treated as defined contributions schemes

Consolidated	USS £'m	OSPS £'m	Other £'m	Total £'m
At 1 August 2022	**586.7**	**29.9**	**0.5**	**617.1**
Utilised in year	-	-	(0.1)	**(0.1)**
Withdrawn	(3.0)	-	-	**(3.0)**
Deficit Contributions paid in year	(31.4)	(3.6)	-	**(35.0)**
Release in year for other changes	(57.5)	(25.8)	-	**(83.3)**
Interest release	19.5	0.9	-	**20.4**
At 31 July 2023	**514.3**	**1.4**	**0.4**	**516.1**

University	USS £'m	OSPS £'m	Other £'m	Total £'m
At 1 August 2022	**580.6**	**28.9**	**0.7**	**610.2**
Utilised in year	-	-	(0.1)	**(0.1)**
Deficit Contributions paid in year	(31.3)	(3.6)	-	**(34.9)**
Release in year for other changes	(57.9)	(25.5)	-	**(83.4)**
Interest release	19.4	0.9	-	**20.3**
At 31 July 2023	**510.8**	**0.7**	**0.6**	**512.1**

The University is a member of the Universities Superannuation Scheme (USS) and Oxford Staff Pension Scheme (OSPS), multi-employer pension schemes, both of which are in deficit. The University has recognised a provision for its commitments under the agreed deficit reduction plans for each scheme. In calculating these provisions the University has estimated that headcount numbers will increase at an average of between 2.0% and 2.6% for future years for the USS Scheme and pay and grade inflation rates will increase by between 3.8% and 5.3% per annum for all staff and the liability is discounted at an appropriate corporate bond rate of 5.49% (2022: 3.34%) for USS and at 0% (2022: 3.14%) for OSPS. A sensitivity analysis to changes in salary and discount rate changes is shown in note 37 for the USS Scheme.

During 2022/23, a University subsidiary withdrew from USS and paid to settle the deficit at that time.

The University (including the Press) has also recognised a provision in respect of pension provisions for retired staff members of Federated Superannuation System for Universities and Employees Pension Scheme who receive pension supplements and other unfunded commitments (see note 37).

Notes to Financial Statements – continued

28. Pension scheme provisions continued

Defined Benefit Pension Scheme Provisions as defined benefits – Press

	Consolidated £'m	University £'m
At 1 August 2022	35.1	35.1
Net interest on net defined benefit liability	1.0	1.0
Employer transfer to scheme to reduce liability	(6.2)	(6.2)
Remeasurement of liability recognised in comprehensive income	30.4	30.4
At 31 July 2023	**60.3**	**60.3**

Press pensions

The Press operates a number of staff retirement schemes throughout the world.

The decrease in the actuarial loss in the year was due to the changes in gilt yields and inflation rates. Fuller details are shown in note 37.

29. Other provisions

Consolidated	**Total £'m**
At 1 August 2022	**24.1**
Transfer from income and expenditure account	**(3.6)**
Utilised in year	**1.2**
At 31 July 2023	**21.7**

University	**Total £'m**
At 1 August 2022	**7.1**
Transfer from income and expenditure account	**1.1**
Utilised in year	**(1.2)**
At 31 July 2023	**7.0**

The provision relates to provisions for tax, potential repayments to a sponsor and permanent health insurance provided by the Press and staff costs in a subsidiary company.

Notes to Financial Statements – continued

30. Endowment Reserves

There are no endowments within the Press.

Permanent endowments

Consolidated	Unrestricted Capital £'m	Unrestricted Unapplied return £'m	Unrestricted Total £'m	Restricted Capital £'m	Restricted Unapplied return £'m	Restricted Total £'m	Total £'m
Capital – Original gift	80.3	-	**80.3**	350.0	-	**350.0**	**430.3**
Capital – Indexation reserve	42.4	-	**42.4**	120.0	-	**120.0**	**162.4**
Unapplied return	-	212.9	**212.9**	-	453.5	**453.5**	**666.4**
31 July 2022	**122.7**	**212.9**	**335.6**	**470.0**	**453.5**	**923.5**	**1,259.1**
Investment income less expenses	-	-	**-**	-	26.3	**26.3**	**26.3**
New endowments	-	-	**-**	4.2	-	**4.2**	**4.2**
Reclassification to expendable	-	-	**-**	(0.7)	(0.2)	**(0.9)**	**(0.9)**
Transfer and other	-	-	**-**	-	0.9	**0.9**	**0.9**
Indexation	8.4	(8.4)	**-**	31.7	(31.7)	**-**	**-**
Market value gains	-	(0.6)	**(0.6)**	-	(44.5)	**(44.5)**	**(45.1)**
Released to unrestricted reserves	-	(13.4)	**(13.4)**	-	(28.3)	**(28.3)**	**(41.7)**
Balance as at 31 July 2023	**131.1**	**190.5**	**321.6**	**505.2**	**376.0**	**881.2**	**1,202.8**
Represented by:							
Capital – Original gift	80.3	-	**80.3**	353.5	-	**353.5**	**433.8**
Capital –Indexation reserve	50.8	-	**50.8**	151.7	-	**151.7**	**202.5**
Unapplied return	-	190.5	**190.5**	-	376.0	**376.0**	**566.5**
	131.1	**190.5**	**321.6**	**505.2**	**376.0**	**881.2**	**1,202.8**

Notes to Financial Statements – continued

30. Endowment reserves continued

University	Unrestricted Capital	Unrestricted Unapplied return	Unrestricted Total	Restricted Capital	Restricted Unapplied return	Restricted Total	Total
	£'m	£'m	£'m	£'m	£'m	£'m	£'m
Capital – Original gift	29.7	-	**29.7**	350.0	-	**350.0**	**379.7**
Capital – Indexation reserve	20.4	-	**20.4**	120.0	-	**120.0**	**140.4**
Unapplied return	-	205.3	**205.3**	-	453.5	**453.5**	**658.8**
31 July 2022	**50.1**	**205.3**	**255.4**	**470.0**	**453.5**	**923.5**	**1,178.9**
Investment income less expenses	-	-	**-**	-	26.3	**26.3**	**26.3**
New endowments	-	-	**-**	4.2	-	**4.2**	**4.2**
Reclassification to expendable	-	-	**-**	(0.7)	(0.2)	**(0.9)**	**(0.9)**
Transfer and Other	-	-	**-**	-	0.9	**0.9**	**0.9**
Indexation	3.4	(3.4)	**-**	31.7	(31.7)	**-**	**-**
Market value gains	-	0.4	**0.4**	-	(44.5)	**(44.5)**	**(44.1)**
Released to unrestricted reserves	-	(10.2)	**(10.2)**	-	(28.3)	**(28.3)**	**(38.5)**
Balance as at 31 July 2023	**53.5**	**192.1**	**245.6**	**505.2**	**376.0**	**881.2**	**1,126.8**
Represented by:							
Capital – Original gift	29.7	-	**29.7**	353.5	-	**353.5**	**383.2**
Capital – Indexation reserve	23.8	-	**23.8**	151.7	-	**151.7**	**175.5**
Unapplied return	-	192.1	**192.1**	-	376.0	**376.0**	**568.1**
	53.5	**192.1**	**245.6**	**505.2**	**376.0**	**881.2**	**1,126.8**

As required by Charities Law, to apply Total Return Accounting to permanent endowments the University has made a consistent judgement as to the rate at which expenditure can be made against unapplied return. This ensures that benefit can be derived both now and in perpetuity.

This is achieved by the investment of endowment funds within The Oxford Funds: Collegiate Feeder which returns each year a cash dividend of approximately 4% of holding value. The University considers 4% to represent a reasonable estimate of the long-term return on investment achievable above inflation. A transfer to unrestricted reserves for restricted permanent endowments expenditure is recognised to the extent of the spend in the year against the restricted purposes, and for unrestricted permanent endowments the transfer to unrestricted reserves is based on the long-term real rate of return which is estimated at 4%.

To ensure the preservation of original endowment capital in real terms, the University has adopted a policy of indexing brought forward permanent endowment capital each year by the Consumer Price Index ('CPI').

Notes to Financial Statements – continued

30. Endowment reserves continued

Restricted Expendable Endowments

Restricted expendable endowments	Consolidated Capital £'m	Consolidated Accumulated Income £'m	Consolidated Total £'m	University Capital £'m	University Accumulated Income £'m	University Total £'m
31 July 2022	**334.2**	**108.4**	**442.6**	**334.2**	**108.4**	**442.6**
New endowments	50.1	-	**50.1**	50.1	-	**50.1**
Transfer and Other	-	3.4	**3.4**	-	3.4	**3.4**
Investment net income	-	15.2	**15.2**	-	15.2	**15.2**
Market value gains	-	(20.4)	**(20.4)**	-	(20.4)	**(20.4)**
Reclassification from permanent	0.7	0.2	**0.9**	0.7	0.2	**0.9**
Expenditure	-	(16.6)	**(16.6)**	-	(16.6)	**(16.6)**
Balance as at 31 July 2023	**385.0**	**90.2**	**475.2**	**385.0**	**90.2**	**475.2**

The reserve transfers within both permanent and expendable endowment reserve tables reflects a reclassification of amounts that relate to certain endowment donor matching for teaching posts and graduate scholarships. In earlier years these funds were included as endowments as a result of a divergence between management and financial accounting. While legally restricted for specific teaching posts and graduate scholarships, for financial reporting purposes they are treated as unrestricted reserves and the balances have therefore been transferred to the unrestricted income and expenditure reserve (see note 32).

Endowment assets

To ensure that endowment gifts provide the greatest benefit possible and, where appropriate, to ensure that their charitable benefit is maintained in perpetuity, the University invests unspent endowment reserves and capital in a mixture of investment vehicles. These balances are recognised on the Statement of Financial Position within the balances held for Investments and Cash and Cash Equivalents as follows:

Investments	Note	Consolidated 2023 £'m	Consolidated 2022 £'m	University 2023 £'m	University 2022 £'m
The Oxford Funds		1,235.1	1,258.6	1,159.2	1,178.6
Global equities		0.4	1.1	0.4	1.1
Investment property		47.1	46.2	47.1	46.2
Third-party managed		239.5	259.2	239.5	259.2
Short-term bonds		2.4	2.5	2.4	2.5
Other assets		1.8	2.3	1.8	2.3
	17	**1,526.3**	**1,569.9**	**1,450.4**	**1,489.9**
Endowment pledges falling due within one year		29.9	13.2	29.9	13.2
Endowment pledges falling due after more than one year		26.6	45.0	26.6	45.0
Cash and cash equivalents		95.2	73.6	95.1	73.4
Balances as at 31 July 2023		**1,678.0**	**1,701.7**	**1,602.0**	**1,621.5**

Notes to Financial Statements – continued

30. Endowment reserves continued

Endowment purposes

Endowments, both permanent and expendable, fall into the following categories for the year to 31 July 2023.

	Balance at 1 August 2022 £'m	Investment losses £'m	Investment income £'m	New endowments £'m	Expenditure and transfer £'m	Balance at 31 July 2023 £'m
General academic	**425.4**	(10.5)	9.0	3.1	(15.4)	**411.6**
Academic posts	**666.8**	(26.7)	20.7	21.2	(21.5)	**660.5**
Scholarship funds	**494.1**	(24.3)	8.7	10.7	(13.2)	**476.0**
Support for libraries and museums	**87.0**	(3.1)	2.4	18.0	(3.2)	**101.1**
Societies	**10.3**	(0.1)	-	-	(0.3)	**9.9**
Prize funds	**18.1**	(0.8)	0.7	1.3	(0.4)	**18.9**
Total	**1,701.7**	**(65.5)**	**41.5**	**54.3**	**(54.0)**	**1,678.0**

Material endowments

The following endowment funds are considered to be individually material to the University:

	Reuben College £'m	Nuffield Benefaction £'m	James Martin 21st Century Foundation £'m	Crankstart Scholarship Fund £'m
31 July 2022				
Capital – Original gift	71.0	2.8	50.6	74.6
Capital – Indexation reserve	-	1.3	22.0	15.0
Unapplied return	5.2	121.2	7.6	170.9
	76.2	**125.3**	**80.2**	**260.5**
Investment gains and income	(0.4)	5.0	(1.0)	(13.8)
Expenditure	(1.4)	(2.9)	(3.2)	(5.3)
Balance as at 31 July 2023	**74.4**	**127.4**	**76.0**	**241.4**
Represented by:				
Capital – Original gift	71.0	2.8	50.6	74.6
Capital – Indexation reserve	-	1.6	27.0	21.1
Unapplied return	3.4	123.0	(1.6)	145.7
	74.4	**127.4**	**76.0**	**241.4**

The Reuben Foundation have generously donated £80m to the University for the benefit of Reuben College and student scholarships. Of the £80m gift, £9m will endow the existing undergraduate Reuben Scholarship Programme within the University, and £71m will go to the core endowment of Reuben College with £15m ring-fenced for scholarships for graduate students. £41.4m of the College portion has been received to date and the rest is held as accrued income within endowment reserves.

The donor for the Nuffield Benefaction was Lord Nuffield (William Morris). Under the terms of the trust deed dated 24 November 1936 the fund is to be used to widen the

Notes to Financial Statements – continued

30. Endowment reserves continued

scope of the Medical School of the University and provide special facilities for research.

The primary purpose of the James Martin 21st Century Foundation (established in 2004) and James Martin 21st Century (UK) Trust (established in 2012) is to support the Oxford Martin School (formerly James Martin 21st Century School) and establish or support any other entity within the University that advances specialised education relating to the severe problems of the 21st century.

The Crankstart Scholarship Fund was established in 2012/13 through an endowment gift from the Crankstart Foundation to provide a programme of support for UK resident undergraduate students from disadvantaged backgrounds. Under the terms of the deed of gift, the University is required to commit matching income annually for the same purpose or other projects to support disadvantaged students or applicants.

Total return accounting can lead to negative unapplied total return especially in the short term as the total return rate is a long-term rate of return. The University reduces the risk of trust funds eroding their capital by ensuring that accumulated expenditure does not exceed the accumulated income for individual trust funds. The James Martin 21st Century Foundation trust had a negative unapplied total return of £1.6m. In 2022, there were no trust funds with greater than £0.5m deficit in their unapplied total return.

31. Restricted Reserves

The University has received charitable donations and gifts with restricted purposes falling into the following categories.

All reserves generated by the Press are for unrestricted purposes.

Consolidated	As at 1 August 2022 £'m	New donations & grants £'m	Transfer to Unrestricted Reserves £'m	Restricted expenditure £'m	As at 31 July 2023 £'m
General academic	**53.5**	82.2	(1.2)	(13.3)	**121.2**
Academic posts	**5.2**	2.5	-	(2.1)	**5.6**
Scholarship funds	**10.3**	12.6	-	(9.1)	**13.8**
Support for libraries	**3.1**	2.1	-	(1.7)	**3.5**
Support for museums	**2.9**	1.6	-	(1.5)	**3.0**
Donated heritage assets	**74.9**	3.2	-	-	**78.1**
Mixed use buildings	**2.5**	-	-	-	**2.5**
	152.4	**104.2**	**(1.2)**	**(27.7)**	**227.7**

University	As at 1 August 2022 £'m	New donations & grants £'m	Transfer to Unrestricted Reserves £'m	Restricted expenditure £'m	As at 31 July 2023 £'m
General academic	70.4	82.2	(20.5)	(10.9)	**121.2**
Academic posts	5.2	2.5	-	(2.1)	**5.6**
Scholarship funds	10.3	12.6	-	(9.1)	**13.8**
Support for libraries	3.1	2.1	-	(1.7)	**3.5**
Support for museums	2.9	1.6	-	(1.5)	**3.0**
Donated heritage assets	74.9	3.2	-	-	**78.1**
Mixed use buildings	2.5	-	-	-	**2.5**
	169.3	**104.2**	**(20.5)**	**(25.3)**	**227.7**

Notes to Financial Statements – continued

32. Unrestricted Income and Expenditure Reserves

	Consolidated £'m	University £'m
Balance as at 1 August 2022	3,397.8	3,340.1
Reserve transfers	(3.1)	16.2
Unrestricted comprehensive income for the year	84.0	75.9
Balance as at 31 July 2023	**3,478.7**	**3,432.2**

33. Capital and other commitments

Provision has not been made for the following capital commitments at 31 July 2023.

	Consolidated		University	
	2023 £'m	2022 £'m	2023 £'m	2022 £'m
At the end of the year the University had major capital commitments for building projects as follows:				
	290.2	**145.4**	**290.2**	**145.4**

34. Contingent liabilities

On 29 June 2007, the University entered into an agreement with the Trustees of the Oxford University Press Group Pension Scheme to eliminate the scheme deficit over a period of years. As security for the payment by the University of its agreed contributions to the Oxford University Press Group Pension Scheme, the University has granted a floating charge of up to £50m over certain assets held by the Press. The charge was increased from £50m to £75m on 15 April 2019 as part of the recovery plan following the Technical Provision valuation of the Scheme at 31 March 2018.

The University as a whole is subject to a number of legal claims and other matters the outcomes of which are uncertain and may give rise to liabilities or other adverse consequences which cannot currently be quantified.

Notes to Financial Statements – continued

35. Lease obligations

Total rentals payable under operating leases:

	Consolidated					
	2022/23			2021/22		
	Land and Buildings £'m	Other Equipment £'m	Total £'m	Land and Buildings £'m	Other Equipment £'m	Total £'m
Payable during the year	**13.6**	**4.3**	**17.9**	**13.3**	**1.6**	**14.9**
Future minimum lease payments due:						
Not later than 1 year	9.7	1.7	11.4	10.0	1.1	11.1
Later than 1 year and not later han 5 years	15.2	2.1	17.3	24.3	0.6	24.9
Later than 5 years	7.7	-	7.7	16.9	-	16.9
Total lease payments due	**32.6**	**3.8**	**36.4**	**51.2**	**1.7**	**52.9**

	University					
	2022/23			2021/22		
	Land and Buildings £'m	Other Equipment £'m	Total £'m	Land and Buildings £'m	Other Equipment £'m	Total £'m
Payable during the year	**8.9**	**3.2**	**12.1**	**8.1**	**0.7**	**8.8**
Future minimum lease payments due:						
Not later than 1 year	5.5	0.8	6.3	5.6	0.7	6.3
Later than 1 year and not later han 5 years	8.4	1.3	9.7	12.4	0.5	12.9
Later than 5 years	3.9	-	3.9	13.0	-	13.0
Total lease payments due	**17.8**	**2.1**	**19.9**	**31.0**	**1.2**	**32.2**

Notes to Financial Statements – continued

36. Related parties

Due to the nature of the University's operations and the composition of Council (being drawn from colleges and other private and public sector organisations), it is inevitable that transactions in the normal course of business will take place with organisations in which a member of Council may have an interest. All transactions involving organisations in which a member of Council may have an interest are conducted in accordance with the University's financial regulations and normal procurement procedures.

Included in the Financial Statements are the following transactions with organisations in which a member of the University Council or a Senior Officer has an interest which is considered material to the University's Financial Statements and/or the other party. This excludes the colleges which are separate legal entities.

Related party	Nature of relationship	Income £'000		Expenditure/ transfers £'000		Balance due to/(from) the University £'000	
		2023	2022	2023	2022	2023	2022
Alan Turing Institute	Pro-Vice-Chancellor is a Board Member	1,450	1,581	605	292	158	586
AstraZeneca	Member of Council & Head of Division is a Consultant	10,972	-	-	-	2,401	-
British Academy	Member of Council is a Member of the Publications and Conference Committee	5,075	5,046	918	68	(271)	(179)
CACI UK Ltd	Member of Council is an Advisor	-	-	16	27	-	(15)
Cambridge University Press, Journal of Plasma Physics	Member of Council is Joint Editor in Chief	2	-	231	194	-	-
Carnegie Corporation of New York	Former Vice-Chancellor & Former Member Of Council is a Trustee	161	200	-	-	-	-
Circadian	Pro-Vice-Chancellor is a Consultant	36	-	-	-	-	-
Compass Group UK	Member of Council is a Climate & Sustainability Advisor	-	-	645	-	-	-
Constellium CRV	Pro-Vice-Chancellor is a Consultant	10	20	-	-	-	-
Department for Business, Energy & Industrial Strategy	Pro-Vice-Chancellor is a Member of an Innovation Expert Group	406	182	1	-	-	20
Faculty of Arts, Radboud Universiteit Nijmegen	Member of Council is a Visiting Scholar	108	-	-	-	70	-
Faraday Institution	Pro-Vice-Chancellor is a Member of an Expert Panel on Energy Storage	10,034	5,736	-	8	69	25

Notes to Financial Statements – continued

36. Related parties continued

Related party	Nature of relationship	Income £'000		Expenditure/ transfers £'000		Balance due to/(from) the University £'000	
		2023	2022	2023	2022	2023	2022
GlaxoSmithKline	Head of Division and Member of Council is a Consultant on a Vaccine Scientific Advisory board	1,777	15,138	-	-	(5)	(116)
J. P. Morgan	Member of Council is Vice-Chairman for J P Morgan Cazenove	291	206	-	-	100	138
James Martin Trust	Chief Financial Officer is a Trustee & Pro-Vice-Chancellor is a Trustee	12	-	-	-	-	-
Littleton Chambers	Member of Council is a Visiting Member	-	-	28	-	-	-
Northwestern University, Chicago	Member of Council is an Adjunct Professor	-	64	1	(1)	-	7
Nucleome	Pro-Vice-Chancellor is a Consultant	28	204	13	-	-	18
OMASS Therapeutics	Pro-Vice-Chancellor is a Consultant	176	44	-	-	126	-
Oxford Health Foundation Trust	Member of Council is a Non-Executive Director	8,139	-	330	-	1,086	-
Oxford Nanopore Technologies	Member of Council (external) is an Independent Director	523	446	340	410	107	(94)
Oxford Playhouse	Member of Council is a Trustee	-	-	204	255	(25)	-
Oxford Science Enterprises	Chief Financial Officer is a Board Member	1,653	187	-	-	(2)	(38)
Oxford University Hospitals FT	Member of Council & Head of Division is a Non-Executive Director	28,989	25,651	15,204	19,332	6,330	3,878
Oxfordshire Local Economic Partnership (OXLEP)	Pro-Vice-Chancellor is a Director	3	180	12	-	-	-
Peters Fraser & Dunlop	Member of Council (external) is a Chair & OUP Senior Officer is a Director or Trustee	-	-	250	(5)	-	-
Rolls-Royce plc	Pro-Vice-Chancellor is a Consultant	3,711	3,408	-	-	219	173
Rosalind Franklin Institute	Pro-Vice-Chancellor is a Member	876	682	97	-	132	60
Russell Group of Universities	Pro-Vice-Chancellor is a Member of the PVC Research Group	-	-	87	83	-	-
Sainsbury Wellcome Centre, University College London	Member of Council (external) is a Governing Board Member	3,804	-	-	-	1,489	-

Notes to Financial Statements – continued

36. Related parties continued

Related party	Nature of relationship	Income £'000		Expenditure/ transfers £'000		Balance due to/(from) the University £'000	
		2023	2022	2023	2022	2023	2022
Sir Henry Royce Institute	Pro-Vice-Chancellor is a Governing Board Member	213	7	-	-	192	-
UK Atomic Energy Authority (UKAEA)	Pro-Vice-Chancellor is Chairman	735	303	357	179	280	148
UK Biobank	Member of Council is CEO	2,932	1,007	669	429	607	78
UK Centre for Ecology and Hydrology	Member of Council is a Trustee and Director	104	-	8	-	2	-
UK Statistics Authority Board	Member of Council & Pro-Vice-Chancellor is a Member & Chair for the Authority Board and Regulation Committee	-	112	-	-	-	-
UN Development Program (UNDP)	Member of Council is a Consultant	193	230	-	16	6	-
World Bank	Member of Council is a Consultant	270	478	-	28	-	(2)

Related Party - Joint Ventures	Nature of relationship	Income £'000		Expenditure/ transfers £'000		Balance due to/(from) the University £'000	
		2023	2022	2023	2022	2023	2022
African Research Collaboration for Health limited	Joint Venture	-	-	12,467	13,768	-	-
Jenner Vaccine Foundation	Joint Venture	36	12	-	-	-	12
Oxford University Clinics LLP	Joint Venture	5	13	-	-	-	-
Oxford University Development Ltd	Oxford University Property Development Ltd, Joint Venture Subsidiary	11	82	-	-	1	-
Oxford University Property Development Ltd	Joint Venture	-	-	-	-	-	35

Notes to Financial Statements – continued

36. Related parties continued

Research Councils	2023 £'m	2022 £'m
Arts and Humanities Research Council	3.4	3.6
Biotechnology & Biological Sciences Research Council	11.5	11.4
Economic & Social Research Council	5.4	6.5
Engineering & Physical Sciences Research Council	47.9	42.8
Medical Research Council	63.8	54.2
Natural Environment Research Council	10.0	6.4
Science and Technology Facilities Council	12.2	10.6

The results have been restricted to a minimum limit of £10k for either Income or Expenditure. There were no transactions in the year between the University and key management personnel other than remuneration.

Colleges

The 36 external colleges of the University of Oxford are independent legal institutions and are therefore not included in the financial results of the University. Whilst the University has no financial responsibility for the colleges, the collegiate nature of Oxford gives rise to financial interaction between the University and colleges. During the year the University paid £115.4m (2022 : £106.0m) to the colleges via its Joint Resource Allocation Method (JRAM) (see note 11) out of OfS/ Research England funding and fee income.

Other areas of interaction with the colleges are as follows:

General trading takes place between the University (including the Press) and colleges, including the provision of research, accommodation, and teaching facilities. These arrangements are undertaken on a commercial basis. Other external funds/trusts: Certain external trusts provide research and other funding to the University and some colleges. A number of these trusts (note 30) are allowed to participate in The Oxford Funds: Collegiate Feeder.

Other related parties

The University of Oxford, in the form of 'The Chancellor Masters and Scholars of the University of Oxford', is the ultimate controlling entity of the group consolidated into these Financial Statements. It has a number of wholly owned subsidiaries, as set out in note 18, which, as per Section 33.1A of FRS 102, do not need to be disclosed in the related parties note.

During the year, the University made grants and other payments totalling £834.0k (2022: £720.0k) to the Oxford SU (formerly OUSU) and its wholly-owned subsidiary.

The Alan Turing Institute: The institute has been created as a government initiative to fund a national centre for data science and analysis, and is a joint venture between five universities who are all making grants to the Institute. The University as a founding partner agreed to make a grant of £5m to the new Institute, which has now been paid.

Oxford Sciences Enterprises plc (OSE): The University has signed a 15-year agreement with OSE for the funding and development of spinout companies based on research from the Mathematical, Physical and Life Sciences and Medical Sciences Divisions. The University has a 5% equity non-dilutable stake in OSE and a further indirect holding of 4.5% through The Oxford Feeder (TOF Corporate Trustee Ltd), a wholly owned subsidiary of OUEM Limited.

Oxford University Hospitals NHS Foundation Trust: On 1 November 2011, a Joint Working Agreement between the University and Trust came into effect, building on existing working relationships between the two organisations. As a consequence of this close working relationship, there are recharges between the University and the Trust and senior staff of the University may also hold positions in it.

The University provides support to spinout companies in which it has invested via Oxford University Enterprises plc.

Notes to Financial Statements – continued

37. Pension schemes

The University participates in three principal pension schemes for its staff - the Universities Superannuation Scheme (USS), the University of Oxford Staff Pension Scheme (OSPS) and the Oxford University Press (OUP) Group scheme (for UK employees). The 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). The assets of the schemes are each held in separate trustee-administered funds. USS and OSPS are multi-employer schemes and the University is unable to identify its share of the underlying assets and liabilities of each scheme on a consistent and reasonable basis. Therefore, in accordance with the accounting standard FRS 102 paragraph 28.11, the University accounts for the schemes as if they were defined contribution schemes. As a result, the amount charged to the Income and Expenditure Account represents the contributions payable to the schemes in respect of the accounting period. The OUP Group scheme is a single employer scheme under FRS 102 and is therefore accounted for as a defined benefit scheme.

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

As the only employer in the OUP Group scheme, any funding shortfall falls on the University.

The University also has a small number of staff in other pension schemes, including the National Health Service Pension Scheme (NHSPS), the Superannuation Arrangements of the University of London (SAUL) and the Medical Research Council Pension Scheme (MRCPS). The University's participation in NHSPS is in respect of employees who meet certain eligibility criteria, including being an active member of the scheme prior to joining the University. The University's participation in SAUL is in respect of employees of the Gray Laboratory Cancer Research Trust which was acquired by the University on 30 June 2006. The University's participation in MRCPS is in respect of employees whose units transferred from other MRC funded institutions. Pension schemes are also provided for employees contracted in other countries according to the laws and regulations of those countries.

The University has made available a National Employment Savings Trust (NEST) for non-employees who are eligible under automatic enrolment regulations to pension benefits.

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

NHSPS

The last full actuarial valuation of the NHSPS was performed as at 31 March 2016. The 2016 valuation reported scheme liabilities of £297.5 billion. There are no underlying assets, and therefore no surplus or deficit was reported except on a purely notional basis. An accounting valuation of the scheme liability is carried out annually by the scheme actuary, whose report forms part of the annual NHS Pension Scheme (England and Wales) Resource Account, published annually. These accounts can be viewed on the NHS Pensions website. The actuary agreed that the employer contributions rate would increase from 14.3% from 1 April 2015 to 20.6% from 1 April 2019. The increase in costs is split between foreseen costs of a 2.5% point increase in employer contributions, with the remaining 3.8% points constituting the unforeseen costs. Employers, such as the University, have continued to pay 14.3% since 1 April 2019 with the DHSC paying the balance. However, the 2.5% foreseen cost will be recouped by a corresponding reduction to the funding the University will receive. The Department of Health and Social Care (DHSC) is currently considering the optimum way of recouping the costs for those organisations which do not directly receive funding from the DHSC. The University will receive funding support for the unforeseen costs. NHSPS is in a similar position to USS in that, in the event of the withdrawal of a participating employer, the remaining participating employers will assume responsibility for any increased contributions arising.

SAUL

The last full actuarial valuation of SAUL was performed as at 31 March 2020. The 2020 valuation reported a deficit on a technical provisions basis of £217.0m and was 94% funded. The employers have increased the level of contributions from 16% to 19% from 1 April 2022 and 21% from 1 January 2023. From 2023 new members will join a DC scheme for 3 years before being transferred to the main scheme, with all members now building up benefits on a Career Average Revalued Earnings basis at an accrual rate of 1/75ths. In SAUL the amount of any pension funding shortfall in respect of any withdrawing participating employer will be charged to that employer.

Notes to Financial Statements – continued

37. Pension schemes continued

Universities Superannuation Scheme

The University participates in Universities Superannuation Scheme. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The University is therefore exposed to actuarial risks associated with other institutions' 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 University therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme. Since the University has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the University recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the profit and loss account.

The latest available complete actuarial valuation of the Scheme is as at 31 March 2020 (the valuation date), and was carried out using the projected unit method. Since the institution cannot identify its share of USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

The 2020 valuation was the sixth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £66.5 billion and the value of the scheme's technical provisions was £80.6 billion, indicating a shortfall of £14.1 billion and a funding ratio of 83%.

The key financial assumptions used in the 2020 valuation are described below. More detail is set out in the Statement of Funding Principles (uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles).

CPI assumption	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves less: 1.1% p.a. to 2030, reducing linearly by 0.1% p.a. to a long-term difference of 0.1% p.a. from 2040
Pension increases (subject to a floor of 0%)	CPI assumptions plus 0.05%
Discount rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.75% p.a. Post retirement : 1.00% p.a.

The main demographic assumptions used relate to the mortality assumptions.These assumptions are based on analysis of the scheme's experience carried out as part of the 2020 actuarial valuation. The mortality assumptions used in these figures are as follows:

Mortality base table	101% of S2PMA "light" for males and 95% of S3PFA for females
Future improvements to mortality	CMI 2019 with a smoothing parameter of 7.5, an initial addition of 0.5% p.a. and a long-term improvement rate of 1.8% p.a. for males and 1.6% p.a. for females

Notes to Financial Statements – continued

37. Pension schemes continued

The current life expectancies on retirement at age 65 are	2023	2022
Males currently aged 65 (years)	24.0	23.9
Females currently aged 65 (years)	25.6	25.5
Males currently aged 45 (years)	26.0	25.9
Females currently aged 45 (years)	27.4	27.3

Deficit Recovery Plans

A deficit recovery plan was put in place as part of the 2020 valuation, which requires payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate will increase to 6.3%. The 2023 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	2023	2022
Finish date for deficit recovery plan	31/03/2038	31/03/2038
Average staff number increase	2.05%	1.84%
Average staff salary increase	4.01%	4.00%
Average discount rate over period	5.49%	3.34%

Sensitivity Analysis	
Impact of 1% decrease in discount rate	Provision increases by £40m
Impact of 1% increase in salary inflation	Provision increases by £41m
Impact of 1% increase in salary inflation year one only	Provision increases by £5m
Effect of 1% increase in staff headcount	Provision increases by £39m

A provision of £514.3m has been made at 31 July 2023 (2022: £586.7m) for the present value of the estimated future deficit funding element of the contributions payable under the USS deficit agreement, using the assumptions shown. The provision reduces as the deficit is paid off according to the pension recovery scheme.

University of Oxford Staff Pension Scheme

The University of Oxford Staff Pension Scheme (OSPS) is a multi-employer hybrid scheme set up under trust and sponsored by the University. It is the pension scheme for support staff at the University, participating colleges and other related employers. New members joining the scheme build up benefits on a defined contribution basis. Members who joined before 1st October 2017 build up benefits on a career average revalued earnings basis.

The latest full actuarial valuation for the OSPS scheme was completed as at 31 March 2022. The funding position of this scheme has improved significantly moving from deficit of £113m to a surplus of £47m at the valuation date. As a result, the recovery plan agreed at the last valuation is no longer required and the deficit contribution ends on 30th September 2023. A provision of £1.4m has been made at 31 July 2023 (2022: £29.9m) to account for deficit recovery payments up to 30th September 2023. The Trustee and the University has agreed a new contribution schedule which takes effect from 1 October 2023 and takes account of the benefit improvements and changes to member contributions since the last valuation date. It was agreed that the scheme will meet its own running costs from the scheme's assets, including expenses relating to both the DB and DC Sections and the cost of pension Protection Fund /other statutory levies.

The table below summarises the key actuarial assumptions. Further details of the assumptions are set out in the statement of funding principles dated 27 June 2023 and can be found at https://finance.admin.ox.ac.uk/osps-documents

Notes to Financial Statements – continued

37. Pension schemes continued

Date of valuation: Value of liabilities: Value of assets: Funding surplus/(deficit):	31/03/2022 £914m £961m £47m	31/03/2019 £848.1m £735.3m £(112.8)m
The principal assumptions used by the actuary were:		
Rate of interest (periods up to retirement)	Gilts' +2.25%	Gilts' +2.25%
Rate of interest (periods after retirement)	Gilts' +0.5%	Gilts' +0.5%
RPI	Break-even RPI curve less 0.5% pa pre-2030 and 1.0% p.a. post-2030	Break-even RPI curve less 0.3% pa
CPI	RPI inflation assumption less 1% p.a. pre-2030 and 0.1% p.a. post-2030	RPI inflation assumption less 1% p.a. pre 2030 and 0.1% p.a. post-2030
Pensionable Salary increases	RPI +p.a.	RPI +p.a.
Funding Ratios		
• Technical provisions basis	105%	87%
• 'Buy-out' basis	62%	60%
Non-financial assumptions:		
Post-retirement mortality – base table	Non-Pensioners: 105% of standard S3PxA medium tables for both males and females Pensioners: 105% of standard S3PxA medium tables for both males and females	Non-Pensioners: 105% (males) / 100% (females) of standard S3PxA medium tables Pensioners: 100% (males) / 95% (females) of standard S3PxA medium tables
Post-retirement mortality – improvements	Non-Pensioners: 105% of standard S3PxA medium tables for both males and females Pensioners: 105% of standard S3PxA medium tables for both males and females	CMI 2018 core projections with Sk=7.0, A=0.5% and long-term improvement rate of 1.5% p.a. for men and women
Recommended employer's contribution rate (as % of pensionable salaries)	16.5% DB for members from 01/10/2023 10% /12% /14% DC members in relation to 4% /6% /8% cost plan from 01/10/2023	19%
Effective date of next valuation	31/03/2025	31/03/2022

Notes to Financial Statements – continued

37. Pension schemes continued

Pension charge for the year

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

Scheme	2022/23 £'m	2021/22 £'m
Universities Superannuation Scheme	109.6	104.0
Press Group scheme - UK	10.1	10.5
Press Group – Overseas schemes	6.2	6.2
University of Oxford Staff Pension Scheme	13.7	13.6
NHS Pension Scheme	4.8	4.5
MRC	0.4	0.4
Other schemes – contributions	0.2	0.2
Total	**145.0**	**139.4**

These amounts include £24.8m (2022: £15.8m) contributions payable to defined contribution schemes at rates specified in the rules of those plans.

Included in other creditors are pension contributions payable of £16.4m (2022: £16.1m).

Defined benefit schemes accounted for as such

Press Pensions

The Press operates a number of staff retirement schemes throughout the world. The total pension cost for the group charged to operating profit was £16.3m (2022:£16.7m), of which £6.2m (2022: £6.2m) relates to overseas schemes. Of the amount charged to operating profit £16.1m (2022: £15.4m) represents contributions payable to defined contribution schemes at rates specified in the rules of those plans. The Press's defined benefit scheme closed to future accruals from 30 September 2021.

Amounts recognised in the Statement of Financial Position were as follows:	2023 £'m	2022 £'m
Group Pension Scheme		
Present value of funded obligations	(495.0)	(659.1)
Fair value of scheme assets	438.5	629.0
	(56.5)	(30.1)
Overseas schemes		
Present value of funded obligations	-	-
Fair value of scheme assets	-	-
	-	-
Present value of unfunded obligations	(3.8)	(5.0)
	(60.3)	**(35.1)**

Notes to Financial Statements – continued

Scheme	2023 £'m	2022 £'m
Amounts in the Statement of Financial Position		
Liabilities	(498.8)	(664.1)
Assets	438.5	629.0
	(60.3)	**(35.1)**
Amounts recognised in the Statement of Comprehensive Income were as follows:		
Current service cost	(16.3)	(16.7)
Net interest on net defined benefit liability	(1.0)	(4.0)
Total	**(17.3)**	**(20.7)**

Included in employee contributions in the year was £nil (2022: £0.4m) relating to the salary sacrifice scheme.

The actuarial net liability at 31 July 2023 was £60.3m (2022: £35.1m) and comprised a net liability relating to the Group Pension scheme of £56.5m (2022: £30.1m),and net liabilities on other schemes of £3.8m (2022: £5m).

The major scheme ("the Group Pension Scheme") is a funded defined benefit pension scheme providing retirement benefits to UK employees based on final pensionable salary and length of service. This closed to future accruals from 30 September 2021 and was replaced on 1 October 2021 by a defined contribution scheme. No curtailment impact was recognized at 31 July 2022 as a result of the scheme closure. The assets of the defined benefit scheme are held in a separate trustee-administered fund. Following the latest triennial valuation as at 31 March 2021, the Press and trustees have agreed a Recovery Plan, comprising a £43m cash contribution in year 1 (the year to 31 July 2022) followed by seven annual contributions each of £6m. This will provide a £55m cash contribution over the first three years and £85m in total. Assuming an investment return of Gilts +2.1% this will clear the technical provision deficit by July 2030. All regular contributions due on the defined benefit scheme between 1 April and 30 September 2021 were collected in full; from 1 October 2021 the defined benefit scheme is closed to new entrants and future accrual, although members remaining in employment with the Press continue to receive salary linkage on final salary pension accrued before 1 April 2016, and benefits built up after April 2016 will increase in line with CPI (up to a maximum of 5%). Valuations and commitments are subject to future uncertainty and market volatility but are based upon the conclusions of the Press's actuarial advisers which comply with Technical Actuarial Standard 100, as issued by the Board for Actuarial Standards.

The increase in Group Pension Scheme net liabilities of £25.2m arose as a result of higher levels of observed inflation, coupled with rises in interest rates, that have reduced the Scheme's assets to a greater extent than its liabilities. The deficit has also been partially offset by the receipt of deficit contributions.

Funded overseas schemes show a value of £nil at 31 July 2023 as the actuarial report for Canada showed that the scheme was in a net surplus position at 31 March 2023 so, in accordance with FRS 102 paragraph 28.22, it has not been recognised due to the limited extent that the surplus can be recovered in the future. Unfunded obligations comprise £2.0m relating to the UK and £1.8m relating to the US.

There is a charge in favour of the Trustees over specified Press DPRF assets as protection against any outstanding past service deficit. The charge was increased from £50m to £75m on 15 April 2019 as part of the Recovery Plan following the Technical Provision valuation of the Scheme at 31 March 2018.

Notes to Financial Statements – continued

37. Pension schemes continued

Changes in the present value of the defined benefit obligation of the Group Pension Scheme were as follows:	2022/23 £'m	2021/22 £'m
Plan liabilities at 1 August	659.1	998.8
Employer service cost		2.3
Interest cost	23.1	17.4
Plan participants' contributions		0.4
Remeasurement of the defined benefit obligation	(169.6)	(342.7)
Benefits paid from plan assets	(17.6)	(17.1)
Plan liabilities at 31 July	**495.0**	**659.1**

Changes in the fair value of the Group Pension Scheme assets were as follows:	2022/23 £'m	2021/22 £'m
Market value at 1 August	629.0	778.7
Interest income	22.2	13.5
Return on scheme assets (less)/greater than discount rate	(201.1)	(194.6)
Benefits paid from plan assets	(17.6)	(17.1)
Employer contributions	6.0	48.1
Employee contributions		0.4
Market value at 31 July	**438.5**	**629.0**

The group expects to contribute £nil to the Group Pension Scheme in the year 2023/24 with the exception of the £6m cash recovery plan contribution mentioned above.

The major categories of the Group Pension Scheme assets as a percentage of total scheme assets were as follows:	2023	2022
Equities	10.8%	7.9%
Corporate bonds	61.4%	66.9%
Gilts	0.0%	0.0%
Property	5.1%	4.6%
Other quoted securities	8.4%	15.4%
Cash and other	14.3%	5.2%
	100.0%	**100.0%**

Principal actuarial assumptions at the date of the Statement of Financial Position (expressed as weighted averages) in relation to the Group Pension Scheme were:	2023	2022
Discount rate	5.35%	3.55%
Price inflation (RPI)	3.30%	3.25%
Price inflation (CPI)	2.90%	2.90%
Rate of salary increase*	4.40%	4.40%
Pension increases for in-payment benefits	2.90%	2.85%
Pension increases for deferred benefits	2.90%	2.90%
Scheme participant census date	31/03/2021	31/03/2021

*Plus promotional salary scale

Notes to Financial Statements – continued

37. Pension schemes continued

Expected lifetime

The expected lifetime of a participant who is age 60 and the expected lifetime (from age 60) of a participant who will be aged 60 in 15 years are shown in years below. The mortality tables used for the disclosures are the SAPS2 normal tables based on amounts, with multipliers of 106% for males and 100% for females. Allowance has been made for future improvements in line with CMI core projections (CMI 2020 from 2007 to 2021 and CMI 2021 thereafter) with a 1.25% p.a. long-term trend and an initial addition parameter of 0.50%.

	FRS 102 assumptions			
Age	**Males**		**Females**	
	2023	**2022**	**2023**	**2022**
60	26.0	26.3	29.2	29.4
60 in 15 yrs	27.1	27.4	30.2	30.5

Sensitivity Analysis

Assumption	**Change in assumption**	**Impact on scheme liabilities**
Discount rate	Increase/decrease by 0.1%	Decrease/increase by c. 1.5%
CPI inflation	Increase/decrease by 0.1%	Increase/decrease by c. 0.9%
Salary	Increase/decrease by 0.1%	Increase/decrease by c. 0.1%
Base table multipliers	Increase/decrease by 5%	Decrease/increase by c. 0.8%
Future mortality improvements	1.25% p.a. to 1.5% p.a. long-term trend	Increase by c. 0.5%

The actuarial gains and losses recognized in the combined statement of comprehensive income arose from changes in assumptions concerning the discount rate, price inflation, and pension commutation to cash.

Discount Rate: The Press adopted the WTW Global RATE:Link ex-government backed model based upon a period of 21 years for the year ending March 2022. The Press's actuaries remain comfortable in continuing to derive the discount rate at 31 July 2023 with reference to this model, further refined by using the Scheme's projected cashflows, which have a duration of 17 years at 31 March 2023. At 31 July 2023 the discount rate, based upon this approach and duration, is 5.35% per annum.

RPI: On 25 November 2020 the government confirmed that, with effect from February 2030, increases in RPI will be aligned with those under Consumer Prices Index with owner occupiers' housing costs (CPIH) and there will be no compensation to holders of index-linked gilts. The high level of demand for inflation protection, particularly at long durations, may result in an increased "inflation risk premium" (IRP). An IRP is the belief that buyers of index-linked rather than fixed interest gilts are prepared to pay a premium (and hence expect to ultimately receive a lower yield) in order to obtain inflation protection. Within this context the Press adopted an IRP of 25 basis points for the year ending 31 March 2022 and has retained the same figure for the year ending 31 March 2023.

A copy of the full actuarial valuation report and other further details on the scheme are available on the relevant websites: www.uss.co.uk, www.nhsbsa.nhs.uk/Pensions, https://finance.admin.ox.ac.uk/osps/, www.saul.org.uk, www.ouppensions.com.

Notes to Financial Statements – continued

38. Access and participation expenditure

	2023			2022
	Pay £'m	Non-pay £'m	Total £'m	Total £'m
Access investment	3.3	2.6	5.9	4.5
Financial support provided to students from under-represented and disadvantaged groups	-	10.1	10.1	8.6
Support for disabled students	0.6	0.3	0.9	0.4
Research and evaluation of access and participation activities	0.4	0.2	0.6	0.6
	4.3	**13.2**	**17.5**	**14.1**

Access and participation plan investment summary	**2022/23 £'m**	**2021/22 £'m**
Total access activity investment	**5.1**	**4.6**
Access (pre-16)	0.4	0.4
Access (post-16)	4.6	4.1
Access (adults and the community)	0.1	0.1
Access (other)	-	-
Financial support	**7.5**	**7.5**
Research and evaluation	**0.5**	**0.5**
Total investment	**13.1**	**12.6**

Included in Access & Participation costs are £2.8m of college costs (2021/22 £1.8m) for activity to support University of Oxford students carried out by the Oxford Colleges. These activities are part of the declared Access & Participation plan to OfS and reflect the collegiate nature of support to students.

The Access Investment is expenditure on activities and measures that support the ambitions set out in the University's Access and Participation Plan at: www.ox.ac.uk/about/oxford-access.

39. Post Balance Sheet Events

Consultations with USS members and employers on proposed changes to benefits and a new Schedule of Contributions closed in November 2023. Positive responses to these consultations are expected to enable the USS Trustee Board to agree the 2023 Valuation in December 2023. The 2023 Valuation showed that the scheme has moved into a surplus position from the previous deficit. This is expected to result in the consolidated provision of £514.3m and the £510.8m University provision for the obligation to fund the deficit on the USS pension scheme no longer being needed.

In the current year, the USS pension scheme has been accounted for in line with the latest finalised valuation existent at the balance sheet date, that is, the 2020 triennal valuation, and the 2023 valuation is a non-adjusting event because it was not final at the balance sheet date.

Notes to Financial Statements – continued

40. US Loans Schedule

US Department of Education (USDE) financial responsibility supplemental schedule.

In satisfaction of its obligations to facilitate students' access to US federal financial aid the University of Oxford is required, by the US Department of Education, to present the following Supplemental Schedule in a prescribed format.

The amounts presented within the schedules have been:

- Prepared under the historical cost convention
- Prepared using United Kingdom generally accepted accounting practice in accordance with Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice: Accounting for Further and Higher Education (2019 edition); and
- Presented in pounds sterling

The schedules set out how each amount disclosed has been extracted from the financial statements. As set out above, the accounting policies used in determining the amounts disclosed are not intended to and do not comply with the requirements of accounting principles generally accepted in the United States of America.

Source	Expendable Net Assets Supplemental Schedule	UK GAAP Accounts	2022/23 £'000		2021/22 £'000	
Balance Sheet, note 32	Statement of Financial Position – Net assets without donor restrictions	Net assets without donor restrictions	-	3,479,300	-	3,398,300
Balance Sheet, note 30, 31	Statement of Financial Position – Net assets with donor restrictions	Net assets with donor restrictions	-	1,905,700	-	1,854,100
Note 36	Statement of Financial Position – Related party receivable and Related party note disclosure	Secured and Unsecured related party receivable	13,072	-	4,698	-
Note 36	Statement of Financial Position – Related party receivable and Related party note disclosure	Unsecured related party receivable	-	13,072	-	4,698
Note 15	Statement of Financial Position – Property, Plant and equipment, net	Property, plant and equipment, net (includes Construction in progress)	1,945,300	-	1,901,800	-
Note 15, 16, 17	Note of the Financial Statements – Statement of Financial Position – Property, plant and equipment - pre-implementation	Property, plant and equipment – pre-implementation	-	1,789,200	-	1,842,700
NA	Note of the Financial Statements – Statement of Financial Position - Property, plant and equipment – post-implementation with outstanding debt for original purchase	Property, plant and equipment – post-implementation with outstanding debt for original purchase	-	-	-	-

Notes to Financial Statements – continued

40. US loans continued

Lines	Expendable Net Assets Supplemental Schedule	UK GAAP Accounts	2022/23 £'000		2021/22 £'000	
Note 15, 16, 17	Note of the Financial Statements – Statement of Financial Position - Property, plant and equipment – post-implementation without outstanding debt for original purchase	Property, plant and equipment – post-implementation without outstanding debt for original purchase	-	-	-	-
Note 15	Note of the Financial Statements – Statement of Financial Position – Construction in progress	Construction in progress	-	156,100	-	59,100
NA	Statement of Financial Position – Lease right-of-use assets, net	Lease right-of-use asset, net	-	-	-	
NA	Note of the Financial Statements – Statement of Financial Position - Lease right-of-use asset pre-implementation	Lease right-of-use asset pre-implementation	-	-	-	-
NA	Note of the Financial Statements – Statement of Financial Position – Lease right-of-use asset post-implementation	Lease right-of-use asset post-implementation	-	-	-	-
NA	Statement of Financial Position - Goodwill	Intangible assets	-	-	-	-
Note 14	Statement of Financial Position – Other intangible assets	Intangible assets	-	112,500	-	97,100
Balance Sheet, note 28	Statement of Financial Position – Post-employment and pension liabilities	Post-employment and pension liabilities	-	576,400	-	652,200
Note 25, 26	Statement of Financial Position – Note Payable and Line of Credit for long-term purposes (both current and long-term) and Line of Credit for Construction in process	Long-term debt – for long-term purposes	1,251,900	-	1,258,900	-
Note 25, 26	Statement of Financial Position – Note Payable and Line of Credit for long-term purposes (both current and long-term) and Line of Credit for Construction in process	Long-term debt – for long-term purposes pre-implementation	-	1,251,900	-	1,257,000
NA	Statement of Financial Position – Note Payable and Line of Credit for long-term purposes (both current and long-term) and Line of Credit for Construction in process	Long-term debt – for long-term purposes post-implementation	-	-	-	-

Notes to Financial Statements – continued

40. US loans continued

Lines	Expendable Net Assets Supplemental Schedule	UK GAAP Accounts	2022/23 £'000		2021/22 £'000	
N/A	Statement of Financial Position – Note Payable and Line of Credit for long-term purposes (both current and long-term) and Line of Credit for Construction in process	Line of Credit for Construction in process	-	-	-	-
N/A	Statement of Financial Position – Lease right-of-use asset liability	Lease right-of-use asset liability	-	-	-	-
N/A	Statement of Financial Position – Lease right-of-use asset liability pre-implementation	Pre-implementation right-of-use leases	-	-	-	-
N/A	Statement of Financial Position – Lease right-of-use asset liability post-implementation	Post-implementation right-of-use leases	-	-	-	-
N/A	Statement of Financial Position – Annuities	Annuities with donor restrictions	-	-	-	-
N/A	Statement of Financial Position – Term endowments	Term endowments with donor restrictions	-	-	-	-
N/A	Statement of Financial Position – Life Income Funds	Life income funds with donor restrictions	-	-	-	-
Balance sheet, Note 30	Statement of Financial Position – Perpetual Funds	Net assets with donor restrictions: restricted in perpetuity	-	1,202,800	-	1,259,100
Source	**Total Expenses and Losses Supplemental Schedule**	**UK GAAP Accounts**	**2022/23 £'000**		**2021/22 £'000**	
Statement of Comp Income	Statement of Activities – Total Operating Expenses (Total from Statement of Activities prior to adjustments)	Total expenses without donor restrictions – taken directly from Statement of Activities	-	2,669,300	-	2,528,400
Statement of comp income	Statement of Activities – Non-Operating (Investment return appropriated for spending), Investments, net of annual spending gain (loss), Other components of net periodic pension costs, Pension-related changes other than net periodic pension, changes other than net periodic pension, Change in value of split-interest agreements and Other gains (loss) – (Total from Statement of Activities prior to adjustments)	Non-Operating and Net Investment (loss)	-	(454,400)	-	(465,800)

Notes to Financial Statements – continued

40. US loans continued

Source	Total Expenses and Losses Supplemental Schedule	UK GAAP Accounts	2022/23 £'000		2021/22 £'000	
Statement of Comp Income	Statement of Activities – (Investment return appropriated for spending) and Investments, net of annual spending, gain (loss)	Net investment losses	-	202,100	-	241,400
N/A	Statement of Activities – Pension related changes other than periodic pension	Pension-related changes other than net periodic costs	-	-	-	-
Source	**Modified Net Assets Supplemental Schedule**	**UK GAAP Accounts**	**2022/23 £'000**		**2021/22 £'000**	
Balance sheet, note 32	Statement of Financial Position – Net assets without donor restrictions	Net assets without donor restrictions	-	3,479,300	-	3,398,300
Balance sheet, note 30, 31	Statement of Financial Position – total Net assets with donor restrictions	Net assets with donor restrictions	-	1,905,700	-	1,854,100
N/A	Statement of Financial Position – Goodwill	Intangible assets	-	-	-	-
Note 36	Statement of Financial Position – Related party receivable and Related party note disclosure	Secured and Unsecured related party receivable	13,072	-	4,698	
Note 36	Statement of Financial Position – Related party receivable and Related party note disclosure	Unsecured related party receivable	-	13,072	-	4,698
Source	**Modified Assets Supplemental Schedule**	**UK GAAP Accounts**	**2022/23 £'000**		**2021/22 £'000**	
Notes 14, 15, 16, 17, 19, 20, 21, 22, 23	Statement of Financial Position – Total Assets	Total Assets	-	8,407,600	-	8,428,400
N/A	Note of the Financial Statements – Statement of Financial Position – Lease right-of-use asset pre-implementation	Lease right-of-use asset pre-implementation	-	-	-	-
N/A	Statement of Financial Position – Lease right-of-use asset liability pre-implementation	Pre-implementation right-of-use leases	-	-	-	-
Note 14	Statement of Financial Position – Goodwill	Intangible assets	-	-	-	-
Note 36	Statement of Financial Position – Related party receivable and Related party note disclosure	Secured and Unsecured related party receivable	13,072	-	4,698	
Note 36	Statement of Financial Position – Related party receivable and Related party note disclosure	Unsecured related party receivable	-	13,072	-	4,698

Notes to Financial Statements – continued

40. US loans continued

Source	Net Income Ratio Supplemental Schedule	UK GAAP Accounts	2022/23 £'000		2021/22 £'000	
Balance sheet, note 32	Statement of Activities – Change in Net Assets Without Donor Restrictions	Change in Net Assets Without Donor Restrictions	-	80,900	-	(54,200)
Statement of Comp income	Statement of Activities – (Net assets released from restriction), Total Operating Revenue and Other Additions and Sale of Fixed Assets, gains (losses)	Total Revenue and Gains	-	2,555,100	-	2,555,600

Photography

Oxford University Images/John Cairns, Oxford University Images/Ian Wallman and Mark Acres Oxford University Press

Produced by the Finance Division, University of Oxford, 2023

Designed by Brand and Design, University of Oxford