



Exeter College, Oxford

Annual Report and Financial Statements

Year ended 31 July 2011

Charity Registration Number 1141333

EXETER COLLEGE, OXFORD
Annual Report and Financial Statements
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EXETER COLLEGE, OXFORD

Governing Body, Officers and Advisers

Year ended 31 July 2011

MEMBERS OF THE GOVERNING BODY

The Members of the Governing Body are the College's charity trustees under charity law. The members of the Governing Body who served in office as Governors during the year to 31 July 2011 are detailed below. New members of the Governing Body appointed after that date are noted separately.

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Rector									
Ms Frances Cairncross		•	•	•	•	•	•	•	•
Official Fellows									
Dr Michael Hart				•	•				
Professor Richard Vaughan-Jones		•			•		•		
Professor Gregory Hutchinson					•		•		
Professor Helen Watanabe-O'Kelly					•				
Professor Sandra Fredman	(Demitted 30 August 2011)			•	•				
Ms Jeri Johnson		•			•		•	•	•
Dr Helen Spencer					•				
Dr Maureen Taylor		•		•	•		•	•	
Dr Faramerz Dabhoiwala				•	•				•
Mr Jonathan Herring				•	•				•
Dr Peter Johnson					•	•			
Professor Andrew Steane					•				•
Dr Simon Clarke					•				
Professor Ian Reid					•				
Professor Frank Close	(retired 30 September 2010)				•				
Professor Shamita Das					•				
Dr Nic Petrinic			•		•				
Dr Antony Eagle				•	•	•			
Dr Zhongmin Qian		•			•				
Dr Jane Hiddleston					•				
Dr Christina de Bellaigue					•				
Rev'd Dr Helen Orchard	(Resigned 30 June 2011)					•		•	
Mr William Jensen - Bursar		•	•			•		•	•

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Governing Body, Officers and Advisers

Year ended 31 July 2011

Professor Cornelia Drutu			•		•				
Professor Martin Ellison					•				
Dr Benjamin Morgan	(Demitted 30 September 2011)				•				
Professor Holger Wendland					•				
Fellows by Special Election									
Dr James Kennedy									
Professor Andrew Farmer									
Dr Matthias Fripp									
Mrs Katrina Hancock								•	
Dr Reena Sastri									
Ms Helen Watson	(Appointed 9 February 2011)								
Research Fellows									
Dr Joanna Dunkley									
Dr Kirsten Luhn									
Dr Tyler Fisher	(Demitted 30 September 2011)						•		
Dr Christine Cheng						•			
Dr Lucy Sackville				•	•				
Dr Monika Gullerova									
Professorial Fellows									
Professor Hugh Watkins								•	
Professor Edwin Williamson									
Professor Marc Lauxtermann									
Mr Nigel Portwood									
Professor Carol Robinson									
Professor Ervin Fodor									

The following Fellows were appointed during the academic year but admitted to Governing Body after the 31 July, at which time their duties as trustees began:

Dr Chris Ballinger	(appointed 6 October 2011)
Professor Christoph Tang	(appointed 6 October 2011)
Rev'd Mr Stephen Hearn	(appointed 6 October 2011)
Dr Julie Maxwell	(appointed 6 October 2011)

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Dr Daniela Omlor	(appointed 6 October 2011)
Dr Philipp Kukura	(appointed 6 October 2011)

During the year the activities of the Governing Body were carried out through eight committees. The membership of these committees during the 2010/11 academic year is shown above for each Fellow.

- (1) Finance and Estates Committee
- (2) Investment and Accounts Committee
- (3) Rector and Tutors Committee
- (4) Tutorial Board
- (5) Staff Committee
- (6) Fellowship Review Committee
- (7) Development Committee
- (8) Governance and Policy Committee

There are external committee members on the Investment and Accounts Committee and the Development Committee.

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Governing Body, Officers and Advisers

Year ended 31 July 2011

COLLEGE SENIOR STAFF

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

College Accountant	Mrs Eleanor Burnett
Deputy Bursar	Mr Gez Wells
Academic Administrator	Mrs Joan Himpson
HR Officer	Ms Kate Cramp

COLLEGE ADVISERS

Investment advisers

Sand Aire Ltd
105 Wigmore Street
LONDON
W1U 1QY

Land Agents

Savills (L&P) Ltd
Wytham Court
11 West Way
Botley
OXFORD OX2 0QL

Auditor

Kingston Smith LLP
Devonshire House
60 Goswell Rd
LONDON
EC1M 7AD

Bankers

Barclays Bank Plc
Corporate Services
4th Floor, Apex Plaza
Forbury Rd
READING
RG1 1AX

Royal Bank of Scotland
Business & Commercial Banking
Willow Court
Minns Business Park
7 West Way
OXFORD
OX2 0JB

Santander Corporate Banking
2 Triton Square
Regent's Place
London
NW1 3AN

EXETER COLLEGE, OXFORD

Governing Body, Officers and Advisers

Year ended 31 July 2011

Solicitors

Darbys Solicitors LLP
52 New Inn Hall Street
OXFORD
OX1 2DN

Mills & Reeve LLP
Francis House
112 Hills Road
CAMBRIDGE CB2 1PH

Maples Teesdale LLP
30 King Street
LONDON EC2V 8EE

College address

Turl Street,
Oxford,
OX1 3DP

Website

www.exeter.ox.ac.uk

EXETER COLLEGE, OXFORD

Report of the Governing Body

Year ended 31 July 2011

The Members of the Governing Body present their Annual Report for the year ended 31 July 2011 under the Charities Act 1993 together with the audited financial statements for the year.

REFERENCE AND ADMINISTRATIVE INFORMATION

The Rector and Scholars of Exeter College in the University of Oxford, commonly known as Exeter College, is an eleemosynary charitable corporation aggregate. It was founded in 1314 by Walter de Stapledon, Bishop of Exeter, and was enlarged by Sir William Petre under a charter granted by Queen Elizabeth in 1566. The corporation comprises the Rector and Fellows. The College registered with the Charities Commission on 12 April 2011 (registered number 1141333).

The names of all Members of the Governing Body at the date of this report and of those in office during the year, together with details of the senior staff and advisers of the College, are given on pages 2 to 6.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

The College is governed by its Letters Patent of Queen Elizabeth I dated 1566 and by its Statutes as approved by order of Her Majesty in Council from time to time (the current Statutes having been approved on 6 March 2007).

Governing Body

The Governing Body of the College comprises the Rector and Fellows. This body is constituted and regulated in accordance with the College Statutes, the terms of which are enforceable ultimately by the Visitor, the Bishop of Exeter for the time being. The College Statutes are as made from time to time by order of Her Majesty in Council in accordance with the Universities of Oxford and Cambridge Act 1923. The Governing Body holds to itself the responsibilities for the ongoing strategic direction of the College, for its administration and for the management of its finances and assets. It meets regularly under the chairmanship of the Rector and is advised by a range of committees.

The Finance & Estates Committee is responsible for the operational budgeting and financial control of the College and the Investment Committee is responsible for the governance and management of the College Endowment. The Investment Committee comprises Fellows of the College and four independent members with professional investment experience, who serve in a voluntary capacity. The Investment Committee is further supported by an investment adviser, Sand Aire Ltd, a private family investment office which evaluates third-party funds that may be incorporated within the portfolio and provides asset allocation and market strategy guidance. The College investments are maintained in accordance with an investment policy which is approved by the Governing Body and reviewed periodically.

The academic operations of the College are guided by the Tutorial Board, which is responsible for student academic performance and the Rector & Tutors' Committee which awards grants and scholarships.

Recruitment and training of Members of the Governing Body

Fellows of the College are recruited through open competition to their teaching and research positions or to offices of the College (such as bursar or development director) as such vacancies arise, except for the few Fellows whose Fellowship arises from a University appointment. Vacancies are advertised on the College website, in the University Gazette, on the Jobs.ac.uk website and in such professional or national journals as may be appropriate. All Fellows are given information on the duties of a trustee and advised that they will carry such responsibilities as members of Governing Body at the time they are offered their job and are required to confirm that they have read and understood those obligations as a condition of taking up their appointment.

Organisational management

The members of the Governing Body meet 10 times a year. The work of developing their policies and monitoring the implementation of these is carried out by eight management Committees. These Committees

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Report of the Governing Body

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take their business to Governing Body in the form of recommendations, supported by background information and analysis.

- The Finance and Estates Committee is responsible for the operational finances of the College, for the management of the functional buildings and for reviewing and approving all contractual arrangements of the College.
- The Investment Committee is responsible for the oversight and operation of the College's global investment portfolio and of its investment property.
- The Rector & Tutors' Committee is responsible for the welfare of students and for the allocation of hardship funds, academic grants and financial support for the student cultural and sporting clubs and societies.
- The Tutorial Board is responsible for the academic strategy of the College, the academic progress of its students and for the approval of academic appointments.
- The Staff Committee is responsible for the employment and welfare of all non-academic staff.
- The Fellowship Review Committee is responsible for all matters connected with fellowships of the College and, in particular, makes recommendations on (i) elections to Honorary, Visiting and Emeritus Fellowships and (ii) re-election of any Fellow whose tenure is due to end.
- The Development Committee is responsible for advising the College on policies and priorities for its fund raising operations and for engaging and mobilising volunteers and supporters of the College.
- The Governance & Policy Committee is responsible for reviewing constitutional and legislative changes affecting the College and for preparing relevant changes to the Statutes, Bylaws and other governing and policy documents of the College.

The day-to-day running of the College is delegated to the Rector, the Sub-Rector, the Bursar, the Academic Dean (from 1 October 2011), supported by the Accountant, the Deputy Bursar and the Academic Administrator. The Rector and the Bursar attend all meetings of the Governing Body's management Committees.

Group structure and relationships

The College also administers many special trusts, as detailed in Notes 19 to 20 to the financial statements.

The College also has two wholly owned non-charitable trading subsidiaries: Exeter College Trading Limited, for non-charitable trading, and Collexoncotoo Limited, which undertakes all the College's building works. Both companies gift aid their annual profits to Exeter College. The trading activities of Exeter College Trading Limited primarily comprise revenue from letting of the College facilities when not in use by the College, through commercial conferences and banquets. The subsidiaries' aims, objectives and achievements are covered in the relevant sections of this report.

The College is part of the collegiate University of Oxford. Material interdependencies between the University and the College arise as a consequence of this relationship.

Risk management

The College is engaged in risk assessment on an ongoing basis. When it is not able to address risk issues using internal resources, the College takes advice from experts external to the College with specialist knowledge. Policies and procedures within the College are reviewed by the relevant College Committee, chaired by the Rector. Financial risks are assessed by the Finance and Estates Committee and investment risks are monitored by the Investment Committee. In addition, the Health and Safety Committee meets regularly to review health and safety issues. The Equality Review Committee regularly reviews and amends the College's policies relating to employment, harassment, disability, gender, freedom of speech and internal codes of conduct in the light of both legislation and best practice. Training courses and other forms of career development are available, when requested, to members of staff to enhance their skills in risk-related areas.

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Report of the Governing Body

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The Governing Body has ultimate responsibility for managing those identifiable risks faced by the College and is committed to ensuring that appropriate and adequate systems, procedures and arrangements are in place to manage these risks. It is recognised that systems, procedures and arrangements can only provide reasonable but not absolute assurance that major risks have been managed.

OBJECTIVES AND ACTIVITIES

Charitable Objects and Aims

The College's Objects are to maintain and support a College within the University of Oxford for the advancement of knowledge, education, research, learning and religion.

The College's aims for the public benefit are:

- to admit undergraduate and graduate students to pursue their studies and research in the University of Oxford and to support those students in the successful pursuit of their learning, research and personal development through the teaching, supervision, intellectual resources and pastoral care offered by the College; and
- to employ and support leading professional academics across a wide range of fields to teach and supervise undergraduate and graduate students of the University of Oxford and to advance knowledge and learning through their research and publishing.

The aims set for the College's subsidiaries are to help finance the achievement of the College's aims as above.

Academic Activity and Public benefit

In considering the activities pursued by the College, the Governing Body has taken account of the Charity Commission guidelines on public benefit.

The student body comprised 565 full-time students (344 undergraduates, of which 316 were Home/EU, and 28 were Overseas; 28 were visiting students; and 193 were engaged in postgraduate study or research, including 54 taught-course students, 139 research students), and 28 part-time postgraduate students. The 15 per cent increase year-on-year in research students was accounted for entirely by Home/EU students; the increase in Home/EU taught postgraduates was offset by a larger decline in Overseas students. Ninety undergraduates completed their courses in 2010-11, of which 92% received First or Upper Second class Honours. Fifty-eight postgraduates completed taught courses in 2010-11, and 28 research students successfully defended their theses.

A number of Exeter College students were awarded prestigious University prizes, including, the Gibbs Prize in Physiological Sciences, the Gibbs Prize in Mathematics, the Henry Wilde Prize in Philosophy, the Gibbs Book Prize for Chemistry, the Thesis Prize for the best thesis in Physical or Theoretical Chemistry, the Second Best Thesis Prize in Physical or Theoretical Chemistry, the Clifford Chance Civil Procedure Prize, the David Walton Memorial Prize for Economics, the Barclays Capital David Newton Memorial Prize for Financial Economics and the Turbutt Prize for Practical Organic Chemistry.

The University Readership in Experimental Pathology was successfully filled; one fellow resigned her post on election as the first holder of the University's Rhodes Chair of the Laws of the British Commonwealth and the United States. An appointment was made to the new post of Academic Dean, whose post, from September 2011, will combine the roles of the Senior Tutor, the Tutor for Admissions, and the Tutor for Graduates. Prestigious academic awards made to the College's fellows included a L'Oreal UK and Ireland Fellowship For Women in Science, and a European Research Council Starting Investigator Grant.

The Collegiate University maintains a number of bursary schemes for both undergraduate and graduate students. The College both contributes to the funding of these schemes (in particular the Oxford Opportunities Bursary Scheme for Home/EU undergraduates) from a sacrifice of fee income and admits students on bursary schemes, both as undergraduate and graduate students. The Collegiate University has responded to the Government's requirements for fee-waiver and bursary schemes, as approved by the Office For Fair Access, to accompany the new higher fee regime to take effect in 2012-13 with a generous range of support packages

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to which the College will make a financial contribution. In addition to the bursary schemes operated by the University of Oxford on behalf of the Collegiate University, Exeter College offers generous financial support to its students through hardship grants and academic grants. The College also has a number of graduate scholarship and bursary schemes funded from specific trusts. The total value of student support through bursaries and scholarships, including the Oxford Opportunity Bursaries, was £608k (2010: £522k).

A total of 78 undergraduates received the Oxford Opportunity Bursary from Exeter College, with 30 students receiving the maximum bursary of £3,225 and 7 receiving £4,100 which includes a first year start up bursary of £875. The total value of Oxford Opportunity Bursaries provided by the College was £172k.

In addition, the College provides hardship bursaries with the generous support of its alumni through Annual Fund donations and also from specific Trust Funds of the College. Full details of scholarships and bursaries can be found in Note 7 and Note 19 of the accounts.

The College also maintains a very active access programme to encourage applications from schoolchildren who might otherwise not consider applying to Oxford and to Exeter College. This access programme is managed by the College's Schools Liaison Officer (SLO) and is extensively supported by current students, the Fellows and by the Academic Dean and the Academic Administrator. The activities on this form of access promotion (which is in addition to the College's financial contribution to the Collegiate University's access programme) is as follows.

In the academic year 2010/11, four regional conferences and a residential course were organised for schoolchildren, which are multi-school events for sixth formers based in various places within Devon and Cornwall. Many school visits were undertaken throughout the year in which the SLO, often accompanied by an academic, would visit the school, or the school would be invited to visit the College. There were 16 sixth form visits to schools, nine sixth form visits to the College, five application workshops, six visits to the College from younger students, 11 visits to schools to speak to younger students and one event for teachers.

In addition, Exeter participates in a number of collaborative projects with other Colleges, particularly Lincoln College, where the Colleges co-hosted another teachers' conference.

Of the schools recorded as having contact for this period, 81% were in the state sector.

FINANCIAL REVIEW

The academic year ending on 31 July 2011 was marked throughout by uncertainty on the one hand over the level of government funding as delivered through the HEFCE block grant for teaching and on the other by the new, higher fee regime and the associated obligations to provide generous access support which reduces the net income to the University and its colleges. The cuts in HEFCE funding to the Collegiate University were more manageable than worst-case expectations anticipated, however despite a net increase of nine fee paying students the overall fee income of the College still fell by 1.18%. The uncertainty over the cost to the College of funding the bursary and fee-waiver packages agreed by the University with the Office For Fair Access (OFFA) will be carried forward into the next academic year, as will the impact of any re-negotiated package for the 2013-14 cohort.

In addition to a better than expected outturn for academic fees, the College benefited from a generous uplift to unrestricted annual giving from its alumni, leaving students and Fellows, bringing £525k into operating income.

The College continued to draw on the commercial loan with Santander which is paying the instalments on the purchase cost of the Ruskin College site on Walton Street, which is to be developed as the College's 'third quadrangle' in Central Oxford, and by the year-end £10.32m had been drawn and the interest charge in the year was £369k. The second phase of Exeter House was completed in October 2010, providing 112 new or fully renovated study bedrooms within an enclosed campus for graduate students.

Headcount, both academic and non-academic, was stable through the year and a modest nationally-agreed pay award of 0.4% delivered a total employment cost at a comparable level to 2010.

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This is the first time that the College has reported under the Charity SORP. At the level of Unrestricted Funds, the operating performance can be identified as a surplus of £803k, of which £350k was an additional transfer from expendable endowment (i.e. in addition to the transfer determined by the spend rule) to meet approximately half the capital cost of refurbishing two listed Victorian staircases.

Reserves policy

The Governing Body has previously agreed that the free general reserves should be maintained at six months expenditure to allow the College to be managed efficiently and to provide a buffer for uninterrupted services. In monetary terms, this equates to a figure of approximately £4m.

Designated unrestricted funds at the year-end comprised £15.4m of Designated Funds and £1.9m of General Funds. The designated funds include an amount of £15.2m for the net book value of fixed assets less associated funding arrangements. The College also had Restricted Funds of £1m which fund a variety of tuition and student support costs. Most of the College's reserves (excluding endowment funds) are therefore fully employed in fixed assets or restricted to specific purposes, with only the General Funds of £1.9m being regarded as 'free reserves' according to Charity Commission definition.

In practice, the College's expendable endowment funds are available to support unexpected fluctuations in income and expenditure. The College's Investment Committee has been maintaining cash levels in the investment portfolio significantly above the policy benchmark level of 2% (cash was 4.06% of portfolio value at 31 July 2011) and this level of liquidity ensures that there is both sufficient cash to meet expected future calls from private equity investments, cover the next year's distribution to the College under the spend rule and cope with unexpected emergencies without having to sell investment assets in volatile markets.

Investment policy, objectives and performance

The College's investment objectives are to balance the needs of current and future beneficiaries by:

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

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

The investment strategy, policy and performance are monitored by the Investment Committee. At the year end, the College's long term investments, combining the securities and property investments, totalled £49.1 million and the asset allocation was Global Equity 51.63%; Property (commercial and agricultural) 16.49%; Private Equity 9.04%; Unconstrained Alternative Managers 7.39%; Fixed Interest 6.51%; Commodities 4.89% Cash 4.06%. The overall total investment return was 9.56% over the year which compared to the relevant benchmark return of 13.55%.

Under the total return accounting basis, it is the Governing Body's policy to operate a spend rule which calculates the total transfer to income based on 70% of the previous year's transfer, uplifted by inflation, plus 30% of 3.25% of the market value of the assets at the 31 July of the year in question. The Investment Committee keeps this policy under review in the light of investment returns to maintain an equitable balance between present and future beneficiaries.

FUTURE PLANS

The College will celebrate its 700th anniversary in 2014 and has identified three strategic goals for its capital campaign – 'Exeter Excelling' - which are:

EXETER COLLEGE, OXFORD

Report of the Governing Body

Year ended 31 July 2011

- to guarantee the tutorial teaching system which is at the heart of the Oxford undergraduate pedagogy;
- to transform the collegiate campus by rejuvenating the College Library and by developing the recently-acquired Ruskin College site on Walton Street; and
- to attract and support the best students and scholars through bursaries, scholarships, academic grants and by underpinning Fellowships with permanent endowment.

The Campaign had achieved just over £13m of its £45m target at 31 July 2011. An invited architectural competition was launched during the second half of the year to select the design team to develop plans for the Walton Street site. The focus of the College in the forthcoming year will be to build on the success of the Campaign as the vision for Walton Street takes shape and to continue fundraising for Fellowships and student support.

STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES

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

Charity law requires the Governing Body to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under charity law the Governing Body must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the College and of its net incoming or outgoing resources for that period. In preparing these financial statements, the Governing Body is required to:

- select the most suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the College will continue to operate.

The Governing Body is responsible for keeping proper accounting records that are sufficient to show and explain the College's transactions and disclose with reasonable accuracy at any time the financial position of the College and enable them to ensure that the financial statements comply with the Charities Act 1993. They are also responsible for safeguarding the assets of the College and ensuring their proper application under charity law and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Governing Body on 2 November 2011 and signed on its behalf by:

Frances Cairncross
Rector

EXETER COLLEGE, OXFORD

Report of the Auditor to the Members of the Governing Body of Exeter College, Oxford

Year ended 31 July 2011

We have audited the financial statements of Exeter College for the year ended 31 July 2011 which comprise the Group Statement of Financial Activities, the Group and Charity Balance Sheet, the Group Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable laws and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with regulations made under section 43 of the Charities Act 1993. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charity and charity's trustees as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement, the trustees are responsible for the preparation of financial statements which give a true and fair view. We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act.

Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

In addition we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charity's affairs as at 31 July 2011 and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 1993.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 1993 requires us to report to you if, in our opinion:

- the information given in the Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Kingston Smith LLP
Statutory Auditor
Date

Devonshire House
60 Goswell Rd
LONDON EC1M 7AD

Kingston Smith LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

EXETER COLLEGE, OXFORD
Statement of Accounting Policies
Year ended 31 July 2011

1. Scope of the financial statements

The financial statements present the Consolidated Statement of Financial Activities (SOFA), the Consolidated and College Balance Sheets and the Consolidated Cash Flow Statement comprising the consolidation of the College and with its wholly owned subsidiaries Exeter College Trading Limited and Collexoncotoo Limited, in accordance with FRS2. No separate SOFA has been presented for the College alone as permitted by paragraph 397 of the Charities SORP 2005. The results of the individual subsidiaries are disclosed in note 13.

2. Basis of accounting

The financial statements have been prepared under the Charities Act 2006 and in accordance with the Statement of Recommended Practice on Accounting and Reporting by Charities issued in 2005 ("the Charities SORP") and applicable accounting standards. The financial statements are drawn up on the historical cost basis of accounting as modified by the revaluation of investment properties and other investments.

3. Incoming resources from fee income, HEFCE support and other charges for services

Fees receivable, HEFCE support and charges for services and use of the premises, less any scholarships, bursaries or other allowances granted by the College, but including contributions received from restricted funds, are accounted for in the period in which the related service is provided.

4. Incoming resources from donations and legacies

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

Voluntary income received for the general purpose of the College is credited to unrestricted funds.

Voluntary income which is subject to specific wishes of the donor is credited to the relevant restricted fund or, where the donation, grant or legacy is required to be held as capital, to the endowment funds. Where donations are received otherwise than in cash, they are valued at the market value of the underlying assets received at the date of receipt.

5. Investment income

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

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

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

6. Expenditure

Expenditure is accounted for on an accruals basis. Indirect expenditure is apportioned to expenditure categories based on the estimated amount attributable to that activity in the year, either by reference to staff time or the use made of the underlying assets, as appropriate. Irrecoverable VAT is included with the item of expenditure to which it relates.

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

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

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

7. Tangible fixed assets

Expenditure on the acquisition, construction or enhancement of land and buildings costing more than £10,000 together with expenditure on equipment costing more than £1,000 is capitalised and carried in

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Statement of Accounting Policies
Year ended 31 July 2011

the balance sheet at historical cost. The original cost for the purchase of freehold land and property is categorised as 'Freehold properties'. Any additional costs relating to significant refurbishment or alterations to those buildings are categorised under 'Assets under construction' until such a time as that building comes into use.

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

8. Depreciation

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

Freehold properties, including major extensions	40 – 50 years
Building improvements	10 – 40 years
Equipment	3 - 10 years

Freehold land is not depreciated. The original cost of the main historic site is not included in the balance sheet as it is not material. The cost of maintenance is charged in the Statement of Financial Activities in the period in which it is incurred.

9. Investments

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

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

Realised and unrealised gains and losses arising on the investments are credited or charged to the Statement of Financial Activities.

10. Stocks

Stocks are valued at the lower of cost and net realisable value. Where necessary, provision is made for obsolete, slow-moving or defective stocks.

11. Foreign currencies

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

12. Provisions

Provisions are recognised when the College has a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the obligation.

13. Total Return investment accounting

The College statutes authorise the College to adopt a 'total return' basis for the investment of its permanent endowment. The College can invest its permanent endowments without regard to the capital/income distinctions of trust law and with discretion to apply any part of the accumulated total return

EXETER COLLEGE, OXFORD
Statement of Accounting Policies
Year ended 31 July 2011

on the investment as income for spending each year. Until this power is exercised, the total return is accumulated as a capital supplement to the preserved ("frozen") value of the permanent endowment.

The Governing Body has decided that it is in the best interests of the College to account for its invested expendable endowment capital in the same way, though there is no legal restriction on the power to spend such capital.

For the carrying value of the preserved permanent capital, the trustees have taken its open market value as at 1 August 2002 together with the original gift value of all subsequent endowments received.

14. Fund accounting

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

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

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

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

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

15. Pension costs

The costs of retirement benefits provided to employees of the College through two multi-employer defined pension schemes are accounted for as if these were defined contribution schemes in accordance with the requirements of FRS 17. The College's contributions to these schemes are charged in the period in which the salaries to which the contributions relate are payable.

Exeter College, Oxford
Consolidated Statement of Financial Activities
For the year ended 31 July 2011

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2011 Total £'000	2010 Total £'000
INCOMING RESOURCES						
Resources from charitable activities						
Teaching and research	1	4,918	0	0	4,918	4,427
Resources from generated funds						
Legacies and donations		832	347	254	1,433	3,454
Trading income	2	555	0	0	555	542
Investment income	3	814	90	322	1,226	1,139
Bank and other interest	4	36	0	0	36	53
		2,237	437	576	3,250	5,188
Other incoming resources		0	0	0	0	0
Total Incoming Resources		7,155	437	576	8,168	9,615
RESOURCES EXPENDED						
Cost of generating funds						
Fundraising	5	441	15	0	456	500
Trading expenditure		421	0	0	421	580
Investment management costs		160	18	78	256	286
		1,022	33	78	1,133	1,366
Charitable activities	5	6,172	672	0	6,844	6,177
Teaching and research						
Governance costs	8	26	0	0	26	21
Total Resources Expended		7,220	705	78	8,003	7,564
Net incoming/(outgoing) resources before transfers		(65)	(268)	498	165	2,051
Transfers between funds	19	868	562	(1,430)	0	0
Net incoming/(outgoing) resources before other gains and losses		803	294	(932)	165	2,051
Other recognised and unrecognised gains/(losses)						
Realised and unrealised investment gains/(losses)	19	0	0	3,733	3,733	5,758
Net movement in funds for the year		803	294	2,801	3,898	7,809
Fund balances brought forward	19	16,537	763	46,276	63,576	55,767
Funds carried forward at 31 July	19	17,340	1,057	49,077	67,474	63,576

Exeter College, Oxford
Consolidated and College Balance Sheets
As at 31 July 2011

	Notes	2011 Group £'000	2010 Group £'000	2011 College £'000	2010 College £'000
FIXED ASSETS					
Tangible assets	10	27,237	26,214	27,237	26,214
Property investments	11	6,808	6,706	6,808	6,706
Securities and other investments	12	42,269	40,209	42,270	40,210
		<u>76,314</u>	<u>73,129</u>	<u>76,315</u>	<u>73,130</u>
CURRENT ASSETS					
Stocks		119	117	109	108
Debtors	15	604	570	685	875
Deposits and other short term investments		0	0	0	0
Cash at bank and in hand		3,949	3,709	3,626	3,081
		<u>4,672</u>	<u>4,396</u>	<u>4,420</u>	<u>4,064</u>
CREDITORS: falling due within one year	16	1,927	8,064	1,676	7,733
NET CURRENT ASSETS/(LIABILITIES)		<u>2,745</u>	<u>(3,668)</u>	<u>2,744</u>	<u>(3,669)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		79,059	69,461	79,059	69,461
CREDITORS: falling due after more than one year	17	11,460	5,760	11,460	5,760
Provisions for liabilities and charges	18	125	125	125	125
NET ASSETS		<u>67,474</u>	<u>63,576</u>	<u>67,474</u>	<u>63,576</u>
FUNDS OF THE COLLEGE					
Endowment funds		49,077	46,276	49,077	46,276
Restricted funds		1,057	763	1,057	763
Unrestricted funds					
Designated funds		15,401	14,274	15,401	14,274
General funds		1,939	2,263	1,939	2,263
		<u>67,474</u>	<u>63,576</u>	<u>67,474</u>	<u>63,576</u>

The financial statements were approved and authorised for issue by the Governing Body of Exeter College, Oxford, on 2 November 2011.

Frances Cairncross:

William Jensen:

Exeter College, Oxford
Consolidated Cash Flow Statement
For the year ended 31 July 2011

	Notes	2011 Group £'000	2010 Group £'000
Net cash inflow/(outflow) from operations	25	<u>(544)</u>	<u>1,078</u>
Returns on investments and servicing of finance			
Income from investments		1,262	1,192
Finance costs paid		(369)	(106)
		<u>893</u>	<u>1,086</u>
Capital expenditure and financial investment			
New endowment capital received		254	153
Payments for tangible fixed assets		(1,634)	(14,833)
Proceeds from sales of tangible fixed assets		0	0
Payments for investments		(9,305)	(5,516)
Proceeds from sales of investments		10,876	6,156
Net movements in cashflows attributable to endowment investments		(1,825)	(793)
		<u>(1,634)</u>	<u>(14,833)</u>
Management of liquid resources			
Net (additions to) / withdrawals from term deposits		0	0
Net (purchase) / sale of current asset investments		0	0
		<u>0</u>	<u>0</u>
Financing			
New bank loans		6,840	1,480
Bank loans repaid		(300)	0
New lease finance		0	0
Deferred consideration on acquisition of property		(6,840)	9,120
Net movements in cashflows attributable to endowment investments		1,825	793
		<u>1,525</u>	<u>11,393</u>
Increase/(decrease) in cash in the year		<u>240</u>	<u>(1,276)</u>
Reconciliation of net cash flow to movement in net funds			
Increase/(decrease) in cash in the year		240	(1,276)
Transfers to/(from) term deposits and current investments		0	0
(Increase)/decrease in loan and lease finance		300	(10,600)
Change in net funds		<u>540</u>	<u>(11,876)</u>
Net funds at 1 August		(9,191)	2,685
Net funds at 31 July		<u>(8,651)</u>	<u>(9,191)</u>

Exeter College, Oxford
Notes to the financial statements
For the year ended 31 July 2011

1 INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2011 Total £'000	2010 Total £'000
Teaching and research					
Tuition fees - UK and EU students	1,356	0	0	1,356	1,419
Tuition fees - Overseas students	461	0	0	461	449
Other fees	80	0	0	80	81
Other HEFCE support	83	0	0	83	57
Other academic income	397	0	0	397	205
College residential income	2,541	0	0	2,541	2,216
	4,918	0	0	4,918	4,427

The above analysis includes £1,413k received from Oxford University under the CFF Scheme, net of College fees received directly (2010 - £1,468k)

2 TRADING INCOME

	2011 £'000	2010 £'000
Subsidiary company trading income	452	510
Other trading income	103	32
	555	542

3 INVESTMENT INCOME

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2011 Total £'000	2010 Total £'000
Agricultural rent	110	13	58	181	183
Commercial rent	201	0	0	201	186
Other property income	0	0	0	0	0
Equity dividends	468	73	245	786	736
Income from fixed interest stocks	0	0	0	0	34
Interest on fixed term deposits and cash	36	4	19	59	0
Other investment income	(1)	0	0	(1)	0
	814	90	322	1,226	1,139

4 BANK AND OTHER INTEREST INCOME

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2011 Total £'000	2010 Total £'000
Bank interest	36	0	0	36	53
Other interest	0	0	0	0	0
	36	0	0	36	53

Exeter College, Oxford
Notes to the financial statements
For the year ended 31 July 2011

5 ANALYSIS OF RESOURCES EXPENDED

	Direct staff costs £'000	Other direct costs £'000	Support costs £'000	2011 Total £'000	2010 Total £'000
Costs of generating funds					
Fundraising	277	147	32	456	500
Trading expenditure	189	207	25	421	580
Investment management costs	0	256	0	256	286
Total costs of generating funds	466	610	57	1,133	1,366
Charitable expenditure					
Teaching and research	3,094	2,273	1,477	6,844	6,177
Total charitable expenditure	3,094	2,273	1,477	6,844	6,177
Governance costs	0	26	0	26	21
Total resources expended	3,560	2,909	1,534	8,003	7,564

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

The teaching and research costs include College Contribution payable of £28k (2010 - £46k).

6 SUPPORT COSTS

	Generating Funds £'000	Teaching and Research £'000	2011 Total £'000	2010 Total £'000
Financial and domestic admin	22	288	310	708
Human resources	0	79	79	44
IT	0	165	165	156
Depreciation	35	576	611	427
Loss/(profit) on fixed assets	0	0	0	0
Bank interest payable	0	369	369	12
Other finance charges	0	0	0	106
	57	1,477	1,534	1,453

Finance and administration and human resources costs are attributed according to the estimated staff time spent on each activity. Depreciation costs are attributed according to the use made of the underlying assets.

IT costs are attributed according to headcount within each College department.

Interest and other finance charges are attributed according to the purpose of the related financing.

7 GRANTS AND AWARDS

	Unrestricted Funds £'000	Restricted Funds £'000	2011 Total £'000	2010 Total £'000
During the year the College funded research awards and bursaries to students from its restricted and unrestricted fund as follows:				
Scholarships, prizes and grants	56	314	370	451
Bursaries and hardship awards	215	23	238	71
Grants to other institutions	0	0	0	0
	271	337	608	522

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

Exeter College, Oxford
Notes to the financial statements
For the year ended 31 July 2011

8 GOVERNANCE COSTS

	2011	2010
	£'000	£'000
Governance costs comprise:		
Auditor's remuneration - audit services	18	14
Auditor's remuneration - other services	6	2
Legal and other fees on constitutional matters	2	5
Other governance costs	0	0
	<u>26</u>	<u>21</u>

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

9 STAFF COSTS

	2011	2010
	£'000	£'000
The aggregate payroll costs for the year were as follows.		
Salaries and wages	3,291	3,332
Social security costs	221	228
Pension costs	432	427
	<u>3,944</u>	<u>3,987</u>

The average number of permanent employees of the College, excluding Trustees, on a full time equivalent basis was as follows.

	2011	2010
Tuition and research	10	10
College residential	58	58
Fundraising	7	7
Support	9	9
Total	<u>84</u>	<u>84</u>

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

University Lecturers	12	13
CUF Lecturers	10	10
Other teaching and research	7	7
Other	4	4
Total	<u>33</u>	<u>34</u>

The College also benefits from temporary staff, agency workers and those part-time external tutors who are not on the College payroll.

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

There were no employees during the year (excluding the College Trustees) whose gross pay and benefits (excluding employer NI and pension contributions) exceeded £60,000.

Exeter College, Oxford
Notes to the financial statements
For the year ended 31 July 2011

10 TANGIBLE FIXED ASSETS

Group	Assets under construction	Freehold land and buildings	Plant and Machinery	Fixtures, Fittings and Equipment	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At start of year	6,263	23,192	0	1,206	30,661
Additions	1,562	0	0	72	1,634
Transfer	(7,286)	7,286	0	0	0
At end of year	539	30,478	0	1,278	32,295
Depreciation					
At start of year	0	3,583	0	864	4,447
Charge for the year	0	515	0	96	611
On disposals	0	0	0	0	0
At end of year	0	4,098	0	960	5,058
Net book value					
At end of year	539	26,380	0	318	27,237
At start of year	6,263	19,609	0	342	26,214

College	Assets under construction	Freehold land and buildings	Plant and Machinery	Fixtures, Fittings and Equipment	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At start of year	6,263	23,192	0	1,206	30,661
Additions	1,562	0	0	72	1,634
Disposals	(7,286)	7,286	0	0	0
At end of year	539	30,478	0	1,278	32,295
Depreciation					
At start of year	0	3,583	0	864	4,447
Charge for the year	0	515	0	96	611
On disposals	0	0	0	0	0
At end of year	0	4,098	0	960	5,058
Net book value					
At end of year	539	26,380	0	318	27,237
At start of year	6,263	19,609	0	342	26,214

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

Exeter College, Oxford
Notes to the financial statements
For the year ended 31 July 2011

11 PROPERTY INVESTMENTS

Group and College	Agricultural £'000	Commercial £'000	Other £'000	2011 Total £'000	2010 Total £'000
Valuation at start of year	6,706	0	0	6,706	6,129
Additions and improvements at cost	0	0	0	0	0
Disposals net proceeds	0	0	0	0	0
Revaluation gains/(losses) in the year	102	0	0	102	577
Valuation at end of year	6,808	0	0	6,808	6,706

Estates land and property valuations as at 31 July have been made by Savills, the College Land Agent, the basis of the valuation being open market value as defined in the RICS Appraisal and Valuation Manual.

12 SECURITIES AND OTHER INVESTMENTS

	2011 £'000	2010 £'000
Group investments		
Valuation at start of year	40,209	36,422
New money invested	9,305	5,516
Amounts withdrawn	(10,876)	(6,156)
Reinvested income	0	0
Investment management fees	0	0
(Decrease)/increase in value of investments	3,631	4,427
Group investments at end of year	42,269	40,209
Investment in subsidiaries	1	1
College investments at end of year	42,270	40,210

Group investments comprise:	Held outside the UK £'000	Held in the UK £'000	2011 Total £'000	2010 Total £'000
Equity investments	10,570	14,859	25,429	21,214
Global multi-asset funds	6,677	1,448	8,125	3,347
Property funds	0	1,292	1,292	1,056
Fixed interest stocks	0	3,197	3,197	4,532
Alternative and other investments	0	2,401	2,401	3,401
Fixed term deposits and cash	0	1,825	1,825	6,659
Total group investments	17,247	25,022	42,269	40,209

Exeter College, Oxford
Notes to the financial statements
For the year ended 31 July 2011

13 SUBSIDIARY UNDERTAKINGS

The College holds 100% of the issued share capital in Exeter College Trading Limited, a company providing conference and other event services on the College premises, and 100% of the issued share capital in Collexoncotoo Limited, a company providing design and build construction services to the College.

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

	Exeter College Trading Ltd £'000	Collexoncotoo Limited £'000
Turnover	452	1,090
Expenditure	(430)	(1,014)
Donation to College under gift aid	(22)	(76)
Result for the year	<u>0</u>	<u>0</u>
Total assets	272	265
Total liabilities	(272)	(264)
Net funds at the end of year	<u>0</u>	<u>1</u>

14 STATEMENT OF INVESTMENT TOTAL RETURN

The Trustees have adopted a duly authorised policy of total return accounting for the College investment returns as provided in the College Statutes. The investment return to be applied as income is calculated by combining 70% of the previous year's transfer together with 3.25% of 30% of the closing market value of assets at 31 July. The preserved value of the invested endowment capital represents its open market value in 2002 together with all subsequent endowments valued at date of gift.

	Permanent Endowment £'000	Expendable Endowment £'000	Total £'000
Investment total return			
Income distributions	322	703	1,025
Capital gains/losses	1,190	2,543	3,733
Investment management costs	(78)	(168)	(246)
Total return for the year	<u>1,434</u>	<u>3,078</u>	<u>4,512</u>
Amount applied as income for spending	<u>(474)</u>	<u>(956)</u>	<u>(1,430)</u>
Net increase in Unapplied Total Return in the year	960		
Unapplied Total Return at start of year	4,188		
Unapplied Total Return at end of year	<u>5,148</u>		
Preserved value of original permanent endowments	<u>10,651</u>		

15 DEBTORS

	2011 Group £'000	2010 Group £'000	2011 College £'000	2010 College £'000
Amounts falling due within one year:				
Trade debtors	311	309	253	309
Amounts owed by College members	0	0	0	0
Amounts owed by Group undertakings	0	0	139	305
Loans repayable within one year	0	0	0	0
Prepayments and accrued income	287	250	287	250
Other Debtors	6	11	6	11
Amounts falling due after more than one year:				
Loans	0	0	0	0
	<u>604</u>	<u>570</u>	<u>685</u>	<u>875</u>

Exeter College, Oxford
Notes to the financial statements
For the year ended 31 July 2011

16 CREDITORS: falling due within one year

	2011	2010	2011	2010
	Group	Group	College	College
	£'000	£'000	£'000	£'000
Bank overdrafts	0	0	0	0
Bank loans	0	300	0	300
Obligations under finance leases	0	0	0	0
Trade creditors	370	563	157	118
Amounts owed to College Members	0	0	0	0
Amounts owed to Group undertakings	0	0	0	0
Taxation and social security	70	(27)	86	89
College contribution	37	37	37	37
Accruals and deferred income	202	219	150	217
Other creditors	1,248	6,972	1,246	6,972
	1,927	8,064	1,676	7,733

17 CREDITORS: falling due after more than one year

	2011	2010	2011	2010
	Group	Group	College	College
	£'000	£'000	£'000	£'000
Bank loans	10,320	3,480	10,320	3,480
Obligations under finance leases	0	0	0	0
Other creditors	1,140	2,280	1,140	2,280
	11,460	5,760	11,460	5,760

18 PROVISIONS FOR LIABILITIES AND CHARGES

	2011	2010	2011	2010
	Group	Group	College	College
	£'000	£'000	£'000	£'000
At start of year	125	125	125	125
Charged in the Statement of Financial Activities	0	0	0	0
Settled in the year	0	0	0	0
At end of year	125	125	125	125

The above provision is in respect of pension liabilities for pensions payable to ex employees by the College and not funded through external pension schemes.

Exeter College, Oxford
Notes to the financial statements
For the year ended 31 July 2011

19 FUNDS OF THE COLLEGE MOVEMENTS

	At 1 August 2010 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2011 £'000
Endowment Funds - Permanent						
Tuition & Fellowship Support	4,415	96	(23)	(141)	354	4,701
Scholarships, Exhibitions, Prizes and Travel Funds	3,069	68	(16)	(98)	246	3,269
Studentships	6,615	285	(36)	(216)	542	7,190
Student Assistance, Bursaries and Hardship	534	19	(3)	(16)	43	577
Other Funds	58	1	(0)	(2)	5	62
Endowment Funds - Expendable						
Tuition & Fellowship Support	2,661	104	0	(43)	222	2,944
Scholarships, Exhibitions, Prizes and Travel Funds	0	0	0		0	0
Studentships	219	0	0	(117)	18	120
Student Assistance, Bursaries and Hardship	162	0	0	(3)	13	172
Other Funds	249	0	0	(4)	20	265
Exeter College Main Fund	28,294	3	0	(790)	2,270	29,777
Total Endowment Funds	46,276	576	(78)	(1,430)	3,733	49,077
Restricted Funds						
Tuition & Fellowship Support	154	107	(304)	184	0	141
Scholarships, Exhibitions, Prizes and Travel Funds	37	17	(22)	20	0	52
Studentships	207	36	(303)	332	0	272
Student Assistance, Bursaries and Hardship	164	12	(24)	20	0	172
Other Funds	201	265	(52)	6	0	420
Total Restricted Funds	763	437	(705)	562	0	1,057
Unrestricted Funds						
General Reserve	2,263	7,029	(7,199)	(154)	0	1,939
Designated Funds:						
Fixed Asset Reserve	14,213	0	0	1,022	0	15,235
Designated Reserves	61	126	(21)	0	0	166
Total Unrestricted Funds	16,537	7,155	(7,220)	868	0	17,340
Total Funds	63,576	8,168	(8,003)	0	3,733	67,474
Transfers Detail						
	Unrestricted funds	Designated funds	Restricted funds	Permanent Endowment	Expendable Endowment	Total
Transfer for investment total return	868		562	(474)	(956)	0
Designation in year	(1,022)	1,022				0
Total	(154)	1,022	562	(474)	(956)	0

Designated transfers reflect the movement in the net book value of tangible fixed assets.

Exeter College, Oxford
Notes to the financial statements
For the year ended 31 July 2011

20 FUNDS OF THE COLLEGE DETAILS

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

Endowment Funds - Permanent:	
Tuition & Fellowship Support	A total of nine Trust Funds where the income can be spent on Fellowship support in specific subject areas, but the the original capital cannot be spent.
Scholarships, Exhibitions, Prizes and Travel Funds	A total of six Trust Funds where the income can be spent on student scholarships, exhibitions, prizes and travel funds. The original capital cannot be spent.
Studentships	A total of 13 Trust Funds, the purpose of which is to pay a contribution towards, or all, of the University and College fees together with a maintenance grant. Each Fund specifies the subject area and academic achievements needed for each award. The original capital cannot be spent.
Student Assistance, Bursaries and Hardship	A total of six Trust Funds, the income of which is to provide financial assistance to undergraduates and/or graduates dependent upon their financial need. The capital cannot be spent.
Other Funds	Two Trust Funds for specific purposes of the College. The capital cannot be spent.
Endowment Funds - Expendable:	
Tuition & Fellowship Support	A total of four Trust Funds where the income and capital, if required, can be spent on Fellowship support in specific subject areas.
Studentships	A Trust Fund, the purpose of which is to pay a contribution towards, or all, of the University and College fees together with a maintenance grant for a graduate student. The income and capital is to be spent.
Student Assistance, Bursaries and Hardship	Two Trust Funds providing financial assistance to undergraduate and graduate students. Both the income and capital can be spent.
Other Funds	Three Trust Funds for various purposes where both the income and capital can be spent on the restricted purpose of the Fund.
Exeter College Main Fund	This Fund represents donations accumulated over many decades and current policy is to invest it over the long term future of the College. Both income and capital can be spent on the general educational purposes of the College.
Restricted Funds:	
Tuition & Fellowship Support	A consolidation of gifts and donations where both income and capital can be used for tuition and fellowship support. Income generated from endowment is allocated to these funds and, if not spent, is available in future years.
Scholarships, Exhibitions, Prizes and Travel Funds	A consolidation of gifts and donations where both income and capital can be used for scholarships and exhibitions. Income generated from endowment is allocated to these funds and, if not spent, is available for future years.
Student Assistance, Bursaries and Hardship	A consolidation of gifts and donations where both income and capital can be used for student assistance and hardship. Income generated from endowment is also allocated to these funds and, if not spent, is available for future years.
Other Funds	A consolidation of gifts and donations where both income and capital can be spent on various restricted purposes.
Designated Funds	
Fixed asset designated	Unrestricted Funds which are represented by the fixed assets of the College and therefore not available for expenditure on the College's general purposes
General designated reserve	Unrestricted Funds allocated by the Fellows for future costs of specific projects.

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

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21 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total £'000
Tangible fixed assets	27,237	0	0	27,237
Borrowings on acquisition of fixed assets	(12,000)	0	0	(12,000)
Property investments	0	0	6,808	6,808
Securities and other investments	0	0	42,269	42,269
Net current assets	2,103	1,057	0	3,160
	<u>17,340</u>	<u>1,057</u>	<u>49,077</u>	<u>67,474</u>

22 TRUSTEES' REMUNERATION

The trustees of the college comprise the governing body, primarily fellows who are teaching and research employees of the college and who sit on governing body by virtue of their employment.

Trustees of the college fall into the following categories:

Rector
 Professorial Fellow
 Official Fellow
 Fellow by Special Election
 Research Fellow

No trustee receives any remuneration for acting as a trustee. However, those trustees who are also employees of the college receive salaries for their work as employees. These salaries are paid on external academic and academic-related scales and often are joint arrangements with the University of Oxford. 21 Official Fellows are on a joint contract with the University of Oxford. The remuneration disclosure below relates to remuneration that is paid by the College.

Professorial Fellows and all but one Fellow by Special Election, do not receive any remuneration.

Official Fellowships are tenable by any persons holding any teaching or research or administrative office in the College, including the office of Chaplain and Bursar.

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

Some trustees receive additional allowances for additional work carried out as part time college officers, for example, the Senior Tutor, Sub-Rector, Tutors for Admissions and Graduates. These amounts are included within the remuneration figures below. The total remuneration and taxable benefits as shown below is £1,024,500 (2010: £1,046,821). The total of pension contributions is £156,470 (2010: £157,886).

As a consequence of the different remuneration of Fellows dependent on type of appointment (eg joint or College-only) and type of Fellowship (eg. Research or Official Fellow), there is a wide variation in levels of pay.

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Remuneration paid to trustees

Range	2011		2010	
	Number of trustees/fellows	Gross remuneration, taxable benefits and pension contributions £	Number of trustees/fellows	Gross remuneration, taxable benefits and pension contributions £
£3,000-£3,999	0	0	2	6,558
£4,000-£4,999	1	4,748	0	-
£7,000-£7,999	0	-	2	15,566
£8,000-£8,999	1	8,749	1	8,008
£9,000-£9,999	2	18,789	1	9,300
£11,000-£11,999	0	-	1	11,356
£12,000-£12,999	1	12,173	0	-
£13,000-£13,999	0	-	1	13,388
£19,000-£19,999	1	19,922	0	-
£20,000-£20,999	4	80,867	5	102,044
£21,000-£21,999	3	64,389	3	63,653
£22,000-£22,999	3	66,887	1	22,636
£23,000-£23,999	1	23,179	0	-
£25,000-£25,999	1	25,476	1	25,899
£27,000-£27,999	0	-	1	27,441
£28,000-£28,999	0	-	1	28,017
£30,000-£30,999	0	-	1	30,610
£33,000-£33,999	1	33,852	0	-
£34,000-£34,999	1	34,599	0	-
£39,000-£39,999	0	-	1	39,470
£40,000-£40,999	2	80,805	2	80,326
£41,000-£41,999	1	41,870	0	-
£42,000-£42,999	1	42,799	2	84,668
£44,000-£44,999	1	44,897	0	-
£45,000-£45,999	0	-	2	91,051
£46,000-£46,999	1	46,745	0	-
£49,000-£49,999	0	-	1	49,326
£50,000-£50,999	2	100,483	0	-
£51,000-£51,999	1	51,498	0	-
£52,000-£52,999	1	52,871	2	105,373
£54,000-£54,999	0	-	1	54,920
£55,000-£55,999	1	55,573	1	55,819
£56,000-£56,999	1	56,840	0	-
£59,000-£59,999	1	59,102	0	-
£64,000-£64,999	0	-	1	64,620
£66,000-£66,999	0	-	1	66,163
£72,000-£72,999	1	72,641	1	72,758
£75,000-£75,999	0	-	1	75,737
£81,000-£81,999	1	81,216	0	-
Total	35	1,180,970	37	1,204,707

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

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

Trustee expenses

Total expenses of £5,935 were paid to 11 College trustees (2010: £5,000). Of this total, £5,878 was reimbursed travel costs and other minor general expenditure incurred in their capacity as a Fellow of the College.

Two trustees were paid travel expenses for travel to trustee or other meetings (for example meetings in London in relation to college investments). The total cost of these expenses was £57 (2010: £100).

Other transactions with trustees

There were no other transactions with trustees that need to be disclosed.

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23 PENSION SCHEMES

1. The pension schemes

The College participates in two principal pension schemes for its staff - the Universities Superannuation Scheme ('USS'), and the University of Oxford Staff Pension Scheme ('OSPS'). Both schemes are contributory defined benefit schemes (i.e. they provide benefits based on length of service and final pensionable salary) and are contracted out from the State Second Pension Scheme. The assets of USS and OSPS are each held in separate trustee-administered funds. Both schemes are multi-employer schemes and the College 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 FRS17 "Retirement Benefits", the College accounts for the schemes as if they were defined contribution schemes. As a result, the amount charged to the income and expenditure account represents the contributions payable to the schemes in respect of the accounting period.

In the event of the withdrawal of any of the participating employers in USS, 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. However, in OSPS, the amount of any pension funding shortfall in respect of any withdrawing participating employer will be charged to that employer.

2. Actuarial valuations

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

	USS	OSPS
Date of valuation:	31/03/2008 ^a	31/03/2010
Date valuation results published:	04/02/2009	30/06/2011
Value of liabilities:	£28,135m	£394m
Value of assets:	£28,842m	£312m
Funding Surplus/(Deficit):	£707m ^b	(£82m) ^c
Principal assumptions:		
Rate of interest (past service liabilities)	4.4% pa	-
Rate of interest (future service liabilities)	6.1% pa	-
Rate of interest (periods up to retirement)	-	7.0% pa
Rate of interest (periods after retirement)	-	5.0% pa
Rate of increase in salaries	4.3% pa	4.7% pa
Rate of increase in pensions	3.3% pa	3.7% pa
Mortality assumptions:		
Assumed life expectancy at age 65 (males)	23 yrs	22 yrs
Assumed life expectancy at age 65 (females)	25 yrs	24 yrs
Funding Ratios:		
Technical Provisions basis:	103% ^d	79%
Statutory Pension Protection Fund basis:	107%	86%
"Buy-out" basis:	79% ^d	52%
Estimated FRS17 basis	104% ^d	77%
Recommended Employer's contribution rate (as % of pensionable salaries):	16% ^e	21.5% ^c
Effective date of next valuation:	31/03/2011 ^a	31/03/2013

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Notes:

a. USS' actuary will undertake an actuarial valuation of the Scheme as at 31 March 2011, the results of which are not expected to be finalised until December 2011, with publication of the final results in 2012.

b. In the light of the considerable swings in markets since the valuation date, the nature of the demographic and financial assumptions used in the ongoing and solvency valuations, the significant positive cash flows and equity orientated investment strategy, USS' actuary recommended, and the Trustee agreed, that the small ongoing funding surplus should be carried forward to the next valuation.

c. OSPS' actuarial valuation as at 31 March 2010 identified a required long-term employer contribution rate of 18.2% of total pensionable salaries, but also a funding deficit of £82.4m. The University, on behalf of all the employers participating in the scheme, has agreed with the trustees of OSPS to address this deficit by continuing the employer contribution rate at the previously agreed rate of 21.5% of total pensionable salaries (this being the rate paid by the employer since 1 August 2008). The actuary has certified that the additional contribution should eliminate the deficit by 31 March 2027.

d. Since 31 March 2008, global investment markets have continued to fluctuate and the actuary has estimated the funding level of USS had fallen from 103% at 31 March 2008 to 91% (a deficit of £3,065m) at 31 March 2010. Compared to the previous 12 months, the funding level has improved from 74% as at 31 March 2009 to 91%. These estimates are based on the funding level at 31 March 2008, adjusted to reflect the fund's actual investment performance over the two years and changes in market conditions (market conditions affect both the valuation rate of interest and also the inflation assumption which in turn impacts on the salary and pension increase assumptions). On the FRS17 basis, the actuary estimated that the funding level at 31 March 2010 was 80% and on a buy out basis was approximately 57%.

e. The USS employer contribution rate required for future service benefits alone at the date of the valuation was 16.0% of total pensionable salaries and the Trustee company, on the advice of the actuary, implemented the increase from 14% to 16% on 1 October 2009. The USS Joint Negotiating Committee has discussed the funding position of the Scheme and has proposed a package of changes, including the admission of new members into a Care Average Revalued Earnings section, to be implemented with effect on 1 October 2011. The changes are required to ensure the future sustainability of the Scheme. Further details about the changes may be reviewed on USS' website, www.uss.co.uk.

3. Sensitivity of actuarial valuation assumptions

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

Assumption	Change in assumption	Impact on scheme liabilities	
		USS	OSPS
Valuation rate of interest	increase/decrease by 0.5%	decrease / increase by £2.2bn	decrease / increase by £35m
Rate of pension increases	increase/decrease by 0.5%	increase / decrease by £1.5bn	increase / decrease by £25m
Rate of salary growth	increase/decrease by 0.5%	increase / decrease by £0.7bn	increase / decrease by £5m
Rate of mortality	more prudent assumption (mortality used at last valuation, rated down by a further year)	increase by £1.6bn	increase by £10m

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4. Pension charge for the year

The pension charge recorded by the College during the accounting period was equal to the contributions payable as follows:

Scheme	2011 £'000	2010 £'000
Universities Superannuation Scheme	253	250
University of Oxford Staff Pension Scheme	179	174
Other Schemes - contributions		
Total:	432	424

24 TAXATION

The College is able to take advantage of the tax exemptions available to charities from taxation in respect of income and capital gains received to the extent that such income and gains are applied to exclusively charitable purposes.

No liability to corporation tax arises in the College's subsidiary companies because the directors of these companies have indicated that they intend to make donations each year to the College equal to the taxable profits of the company under the Gift Aid scheme. Accordingly no provision for taxation has been included in the financial statements.

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

	2011 £'000	2010 £'000
Net incoming resources for the year	165	2,051
Elimination of non-operating cash flows:		
- Investment income	(1,262)	(1,192)
- Endowment donations	(254)	(153)
- Financing costs	369	106
Depreciation	611	427
(Surplus)/loss on sale of fixed assets	0	0
Decrease/(Increase) in stock	(2)	(9)
Decrease/(Increase) in debtors	(34)	(71)
(Decrease)/Increase in creditors	(137)	(81)
(Decrease)/Increase in provisions	0	0
Net cash inflow/(outflow) from operations	(544)	1,078

26 ANALYSIS OF CHANGES IN NET FUNDS

	2010 £'000	Cash flow £'000	2011 £'000
Cash at bank and in hand	3,709	240	3,949
Bank overdrafts	0	0	0
	3,709	240	3,949
Deposits and other short term investments	0	0	0
Bank loans due within one year	(300)	300	0
Bank loans due after one year	(3,480)	(6,840)	(10,320)
Deferred consideration on acquisition of property	(9,120)	6,840	(2,280)
	(9,191)	540	(8,651)

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27 FINANCIAL COMMITMENTS

At 31 July the College had annual commitments under non-cancellable operating leases as follows:

	2011 £'000	2010 £'000
Land and buildings		
- expiring within one year	0	0
- expiring between two and five years	0	0
- expiring in over five years	0	0
	<u>0</u>	<u>0</u>
Other		
- expiring within one year	0	0
- expiring between two and five years	0	0
- expiring in over five years	0	0
	<u>0</u>	<u>0</u>

28 CAPITAL COMMITMENTS

The College had contracted commitments at 31 July for future capital projects totalling £350,000 (2010 - £900,000)

29 RELATED PARTY TRANSACTIONS

The College is part of the collegiate University of Oxford. Material interdependencies between the University and of the College arise as a consequence of this relationship. For reporting purposes, the University and the other Colleges are not treated as related parties as defined in FRS8 ("Related party disclosures").

Members of the Governing Body, who are the trustees of the College and related parties as defined by FRS 8, receive remuneration and facilities as employees of the College. Details of these payments and reimbursed expenses as trustees are disclosed separately in these financial statements.

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

	2011 £'000	2010 £'000
Dr Z Qian	2	3
	<u>2</u>	<u>3</u>

Interest is charged on the above loans at the HMRC Official Interest Rate. All loans are repayable within 10 years or on the departure of the trustee from the College if earlier.

30 CONTINGENT LIABILITIES

There were no contingent liabilities at 31 July 2011

31 POST BALANCE SHEET EVENTS

There were no material events after the date of the balance sheet which require disclosure.