



# Exeter College, Oxford

Annual Report and Financial Statements

Year ended 31 July 2014

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 2014**

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**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 2014 are detailed below. New members of the Governing Body appointed after that date are noted separately.

Trustee		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
<b>Rector</b>													
Ms Frances Cairncross	(Demitted 30 Sept 2014)	•	•	•	•	•	•	•	•	♦	•	•	•
<b>Official Fellows</b>													
Dr Michael Hart				•	•								
Prof Richard Vaughan-Jones					•		•			♦			
Prof Gregory Hutchinson					•								
Prof Helen Watanabe-O'Kelly	(Demitted 31 Aug 2013)				•								
Ms Jeri Johnson		•		•	•	•	•					•	•
Dr Helen Spencer				•	•								
Dr Maureen Taylor					•		•						
Prof Faramerz Dabhoiwala			•		•					•			•
Prof Jonathan Herring					•	•							
Dr Peter Johnson					•	•							
Prof Andrew Steane					•					•			•
Prof Simon Clarke					•								
Prof Shamita Das	(Demitted 30 Sept 2014)				•								
Dr Nic Petrinic	(Demitted 31 Aug 2013)				•								
Prof Zhongmin Qian					•								
Dr Jane Hiddleston					•	•							
Prof Christina de Bellaigue					•								
Mr William Jensen		•	•	♦	♦	•	♦	•	•	♦	•	•	•
Professor Cornelia Drutu					•								

**EXETER COLLEGE, OXFORD**  
**Governing Body, Officers and Advisers**  
**Year ended 31 July 2014**

<b>Trustee</b>		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Prof Joanna Dunkley					•								
Professor Martin Ellison	(Demitted 30 Sept 2014)				•								
Mrs Katrina Hancock					•			•					◆
Dr Chris Ballinger		•		•	•		•	•				•	•
Dr Philipp Kukura		•			•								
Dr Julie Maxwell	(Demitted 31 Mar 2014)				•								
Dr Andrew Huddleston	(Demitted 30 Sept 2014)			•	•								
Prof Michael Osborne					•								
Prof Jared Tanner					•	•							
Dr James Grant	(Appointed 10 Oct 2013)				•								
Prof Rachel Taylor	(Appointed 10 Oct 2013)				•								
Prof Karin Sigloch	(Appointed 10 Oct 2013)				•								
Dr Martin Davy	(Appointed 10 Oct 2013)				•								
Rev'd Mr Andrew Allen	(Appointed 10 Oct 2013)				•	•							
<b>Fellows by Special Election</b>													
Dr James Kennedy													
Professor Andrew Farmer											•		
Ms Helen Watson		•								•			
Dr Ian Fielding	(Appointed 10 Oct 2013)												
Dr Stephen Leonard	(Appointed 21 May 2014)				•								
<b>Research Fellows</b>													
Dr Kerstin Luhn	(Demitted 30 Apr 2014)												
Dr Daniela Omlor	(Demitted 30 Sep 2014)				•								

**EXETER COLLEGE, OXFORD**  
**Governing Body, Officers and Advisers**  
**Year ended 31 July 2014**

<b>Trustee</b>	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Dr Jeffrey Donlea												
Dr Kai Hebel				•								
Dr Thomas Lambert			•	•			•					
<b>Professorial Fellows</b>												
Prof Hugh Watkins												
Prof Edwin Williamson												
Prof Marc Lauxtermann												
Mr Nigel Portwood		•							•			
Prof Dame Carol Robinson												
Prof Ervin Fodor		•										
Prof Christoph Tang									•			
Dr Chris Fletcher							•		•			

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:

<b>Rector</b>	
Professor Sir Richard Trainor	Appointed 1 October 2014
<b>Official Fellows</b>	
Dr Sophie Butler	Appointed 09 October 2014
Dr Alice Brooke	Appointed 09 October 2014
<b>Research Fellow</b>	
Prof Robert Klose	Appointed 09 October 2014

During the year the activities of the Governing Body were carried out through twelve committees. The membership of these committees during the 2013/14 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

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- (7) Development Committee
- (8) Governance and Policy Committee
- (9) Remuneration and Benefits Committee
- (10) Health & Safety Committee
- (11) Equality Review Committee
- (12) Buildings Committee

◆ Represents in attendance

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 2014**

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**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  
4<sup>th</sup> 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

Royal London Cash Management  
55 Gracechurch Street  
London  
EC3V 0UF

**Solicitors**

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

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

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Maples Teesdale LLP  
30 King Street  
LONDON EC2V 8EE

Stone King Solicitors  
28 Ely Place  
LONDON EC1N 6TD

**College address**

Turl Street,  
Oxford,  
OX1 3DP

**Website**

[www.exeter.ox.ac.uk](http://www.exeter.ox.ac.uk)



## **EXETER COLLEGE, OXFORD**

### **Report of the Governing Body**

**Year ended 31 July 2014**

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The Members of the Governing Body present their Annual Report for the year ended 31 July 2014 under the Charities Act 2011 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 advisers to the College, are given on pages 2 to 7.

#### **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, in accordance with the Universities of Oxford and Cambridge Act 1923 (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 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 nine management Committees. These Committees

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### **Report of the Governing Body**

**Year ended 31 July 2014**

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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 Remuneration Committee is responsible for advising the Governing Body on the remuneration of the Rector, Fellows, College Officers and other such staff as the Governing Body may from time to time specify.
- The Health and Safety Committee is responsible for the implementation of the College's Health and Safety Policy and shall advise the Governing Body on necessary changes to that Policy.
- The Equality Review Committee is responsible for the development, implementation, monitoring, prioritisation and review of policies, procedures and practice to support the College's Equality Policy and Public Sector Equality Duty in relation to staff, students, contractors and suppliers, visitors and others closely associated with the College.

The day-to-day running of the College is delegated to the Rector, the Sub-Rector, the Bursar, and the Academic Dean, supported by the College Accountant, the Deputy Bursar and the Academic Registrar. The Rector and the Bursar attend all meetings of the Governing Body's management Committees.

#### **Group structure and relationships**

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

The College has three wholly owned non-charitable trading subsidiaries: Exeter College Trading Limited, for non-charitable trading, Collexoncotoo Limited, which undertakes all the College's building works and Exeter College Yew Tree Hill Development Company Ltd which is a property investment company. All 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.

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### **Report of the Governing Body**

**Year ended 31 July 2014**

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#### **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.

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 515 full-time students (333 full time undergraduates (of whom 287 were Home/EU, 46 were Overseas.); 155 were engaged in full time postgraduate study or research, (including 47 taught-course students and 108 research students)), and 48 part-time postgraduate students. There were 27 visiting undergraduate students. Eighty-five undergraduates completed their courses in 2013–14, of whom 85% received First or Upper Second class Honours. 49 postgraduates completed taught courses in 2013–14 (13 of them gaining Distinctions), and 30 research students successfully defended their theses.

A number of Exeter College students were awarded prestigious University prizes, including: four Gibbs prizes in Earth Sciences, Biochemistry, Physics and Biomedical Sciences ; four further prizes in Earth Sciences (Shell Prize for the Best Overall performance in the 3rd year year; ISC prize for best performance in Geophysics in Year 1; Keith Cox prize for best mapping on the 2nd year field trip; BP Prize for the best performance in the 2nd year); jointly awarded the First De Paravicini Prize for the best thesis on a Roman topic within the Honour Schools of Literae Humaniores, Classics & English, Classics & Modern Languages, Classics & Oriental Studies, Ancient & Modern History and Classical Archaeology & Ancient History and an award for most meritorious projects in the F.H.S. Part II Examination in Molecular and Cellular Biochemistry. One Law student won a national moot competition.

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### **Report of the Governing Body**

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Academic achievements of Fellows have been widely recognised. Two Tutorial Fellows were awarded the title of Professor in Oxford University's Recognition of Distinction exercise (two Lecturers were, also, so-recognised). Two Tutorial Fellows were awarded competitive Leverhulme research fellowships. A Fellow was elected to membership of the European Molecular Biology Organisation; another was awarded the 2014 Royal Astronomical Society Fowler Prize. Two career development fellows secured permanent posts at prestigious universities. The College improved its capacity to teach modern languages, creating a fixed-term Tutorial Fellowship in Spanish having received a philanthropic donation to support this academic post.

The Collegiate University maintains a number of bursary schemes for both undergraduate and graduate students. The College contributes to the funding of these schemes (in particular the Oxford Bursary Scheme for Home/EU undergraduates) and admits students on bursary schemes, both as undergraduate and graduate students.

In addition to the Oxford Bursary Scheme, which is operated and funded equally by the University of Oxford and the Colleges, 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 Bursaries, was £541k (2013: £537k).

The way the Oxford Bursary Scheme is being administered within the Collegiate University, means that the College paid £86k as its share towards the full cost of the scheme. However, a total of 85 undergraduates received the Oxford Bursary from Exeter College, with 5 students receiving the Moritz-Heyman Bursary of £5,500, 31 students receiving the maximum bursary of £3,300 and 7 receiving £4,300 which includes a first year start up bursary of £1,000. Thus, 30% of the HEU undergraduate population was in receipt of a bursary, and 13% of the undergraduate population was eligible for a full bursary. The total value of Oxford Bursaries provided to Exeter College students was £224k (2013: £197k). In addition to the provision of Oxford Bursaries, 26 undergraduates were entitled to Fee Remission. The total Fee Remission granted to the College's undergraduates was £98k, with the total income waived by the College representing £26k of that figure.

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 20 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 Registrar. 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.

#### **Access programme 2013/14**

Exeter has particular links with schools in Devon and Cornwall under Oxford University's regionalisation programme, now in its 5th year, which ensures that schools in every part of the UK are systematically linked to by Oxford Colleges. This year the College ran five regional conferences (jointly with Downing College, Cambridge): multi-school events for sixth formers based in various places in south-west England, along with a residential programme in Oxford for sixth formers at the end of the school year.

Many other school visits were undertaken throughout the year in which the part-time Schools Liaison Officer (SLO) would visit the school, or the school would visit the College.

Exeter also made a major contribution to other outreach projects in Oxford. The College's SLO was one of the coordinators of the Pathways Programme, a collaboration between most of Oxford's undergraduate colleges. This year, Exeter was a principal host of several Pathways events. We also contributed to the University's UNIQ Summer School by hosting five Alumni evenings (with the involvement of Fellows and other guest speakers), and through the SLO's own participation in the UNIQ programme. The College continued to develop its Ambassador programme, by which it recruits and trains current undergraduates who volunteer with The College hosted on behalf of 15 other Colleges a "bridging programme" for students who were starting their course in science subjects (and contributed board, lodging, and seminar rooms, free of charge). This

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### **Report of the Governing Body**

**Year ended 31 July 2014**

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programme, which is part of the University's collective attempts to support undergraduates in their transition from school to university, is an important part of Outreach strategy.

#### **FINANCIAL REVIEW**

The College's consolidated total funds increased by £16.5m in the year, standing at £99.9m at 31 July 2014 (2013: £83.3m). The endowment funds increased by £6.1m, the restricted funds increased by £2.2m and the unrestricted funds increased by £8.2m.

The College's incoming resources were £12.9m (2013: £15.8m), of which £2.4m was from tuition fees, other academic income and other HEFCE support, £5m was from donations, £2.8m was from residential income, £1.2m was from the sale of student accommodation and £940k was from investment income. The restricted and endowment funds benefited from significant donations towards the Walton Street Quadrangle project and for Fellowships and Student Support, respectively. Fee income and investment income remain broadly the same as in 2013.

Total resources expended increased from £8.8m to £9.4m, leaving the College with net incoming resources of nearly £3.6m before investment gains. The College spent £8m on the key objectives of the Charity.

During the year, the College saw the Exeter Excelling 700th Anniversary Campaign secure further significant gifts from generous benefactors. A donation of £1.2m was received as part of the University's matched funding challenge to endow the costs of an existing tutorial fellowship in Law. Exeter has now successfully fundraised for three fellowships under this scheme. The £1.2m is invested as part of the permanent endowment.

Further gifts totalling nearly £2.7m were received as spendable gifts for restricted purposes, mainly the regeneration of the former Ruskin College campus on Walton Street, purchased by the College in 2009. These donations are not part of the endowment and are held as restricted reserves and will be used to fund the construction of the site. The regeneration of the Ruskin College campus to become Exeter's third Quadrangle is the single-most significant capital project that the College is engaged in. A planning application for the Alison Brooks Architects scheme was approved by Oxford City Council at its planning meeting in December 2013. The College has appointed Mace as contractor to work alongside the design team in developing the detail of the scheme, exploring opportunities for value engineering, and tendering main works. Demolition commenced in May 2014 and completion is anticipated in June 2016.

As part of the funding strategy for the Ruskin College scheme, the College put its Iffley Road undergraduate hostels, Stapeldon House, up for sale through a national advertising campaign. Stapeldon House comprises nine Victorian houses. The sale of five houses for a consideration of £3.361m was agreed in 2012/13, with completion on two of the houses taking place in August 2013. This realised a profit on disposal of £1.2m. Completion on the other three houses occurred in August 2014, after the year end.

A further component of the funding strategy for the Walton Street Quadrangle, agreed by the Governing Body during the year and implemented at the year-end, was the transfer of a portfolio of residential property into the Endowment portfolio as investment assets. These properties had previously been regarded as functional property and had been fully depreciated since their purchase. The portfolio was transferred in at a combined value of £6.65m and an equivalent value of cash was transferred to restricted funds for the project.

In the agricultural property already held in the Endowment, two development schemes made material progress during the year, leading to substantially higher valuations being attributed to them in the investment portfolio. The larger of these schemes secured planning permission before the year-end and is being actively promoted for sale to leading house builders. The smaller scheme has outline planning permission, so there are hurdles yet to cross before full development value is secured. Taking these various property-related transactions into account, the value of Endowment funds was £65m at 31<sup>st</sup> July 2014 (£58.9m at 31<sup>st</sup> July 2013), representing a total return of 11.68% over the year; this compares with a return of 4.89% for the College's Central Risk Position (benchmark). Over three years the total return on the Endowment was

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### **Report of the Governing Body**

**Year ended 31 July 2014**

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35.25% (26.47% benchmark), and over five years 68.7% (63.5% benchmark). Excluding the beneficial impact of agricultural land valuations and the two development prospects in particular, the performance of the global market investments has trailed behind the benchmark. This divergence is explained by the College's cautious re-entry into equity markets following the 2008 crash and, latterly, the accumulation of cash to fund the Walton Street project during a time of rising equity markets.

#### **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.

Unrestricted funds at the year-end comprised £26m of Designated Funds and £1m of General Funds. The designated funds include an amount of £17.8m for the net book value of fixed assets less associated funding arrangements. The College also had Restricted Funds of £7.5m, an increase of just over £2m on the 2013 figure, due to the generosity of donors giving towards the Walton Street Quadrangle project. £698k is restricted to 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 £1m 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 maintains a level of liquidity that ensures 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.

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. In addition, the Governing Body has agreed to make an additional, exceptional transfer in each year equivalent to half the interest charge on the commercial loan. 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 celebrated its 700<sup>th</sup> anniversary in 2014 and in preparation for this year had identified three strategic goals for its capital campaign – 'Exeter Excelling' - which are:

- 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.

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The Ruskin College third Quadrangle is the focus of the College's current ambitions and is expected to bring about a transformation of Exeter's daily operations, its academic, cultural and social opportunities, and its ability to explore and develop new models of engagement in a thoroughly modern and fully accessible campus. The success of the 700<sup>th</sup> Anniversary Campaign, Exeter Excelling, in attracting substantial philanthropic support for teaching and research and for student support has been noted above. The aim of the College is to continue to deliver teaching and research of the highest standards through its commitment to undergraduate teaching, graduate research and the research and publications of its Fellows.

#### **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 2011. They are also responsible for safeguarding the assets of the College and ensuring their proper application under charity law and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Governing Body on 5 November 2014 and signed on its behalf by:

Professor Sir Richard Trainor  
Rector

## **EXETER COLLEGE, OXFORD**

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

**Year ended 31 July 2014**

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We have audited the financial statements of Exeter College for the year ended 31 July 2014 which comprise the Group Statement of Financial Activities, the Group and Charity Balance Sheets, 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 Chapter 3 of Part 8 of the Charities Act 2011. 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 151 of the Charities Act 2011 and report in accordance with regulations made under 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 and charity's affairs as at 31 July 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended; and;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

#### **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 2011 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

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**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 which comprise the consolidation of the College with its wholly owned subsidiaries Exeter College Trading Limited, Exeter College Yew Tree Hill Development Company Limited and Collexoncotoo Limited, in accordance with FRS 2. 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 2011 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 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. Operating Leases**

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

## **10. Investments**

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

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

The investment in subsidiaries are recognised at market value, which the Trustees have taken to be their Net Asset value.

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

## **11. 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.

## **12. Foreign currencies**

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

## **13. 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.

## **14. Total Return investment accounting**

The College statutes authorise the College to adopt a 'total return' basis for the investment of its permanent endowment. The College can invest its permanent endowments without regard to the capital/income distinctions of trust law and with discretion to apply any part of the accumulated total return on the investment as income for spending each year. Until this power is exercised, the total return is accumulated as a 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.

#### **15. 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.

#### **16. 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 2014**

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2014 Total £'000	2013 Total £'000
<b>INCOMING RESOURCES</b>						
<b>Resources from charitable activities</b>	1					
Teaching, research and residential		5,344	0	0	5,344	5,267
<b>Resources from generated funds</b>						
Legacies and donations		1,008	2,690	1,376	5,074	8,623
Trading income	2	363	0	0	363	510
Investment income	3	599	86	257	942	1,344
Bank and other interest	4	48	0	0	48	35
		2,018	2,776	1,633	6,427	10,512
<b>Other incoming resources</b>		1,174	0	0	1,174	0
<b>Total Incoming Resources</b>		8,536	2,776	1,633	12,945	15,779
<b>RESOURCES EXPENDED</b>						
<b>Cost of generating funds</b>	5					
Fundraising		739	21	0	760	555
Trading expenditure		299	0	0	299	455
Investment management costs		131	22	86	239	243
		1,169	43	86	1,298	1,253
<b>Charitable activities</b>	5					
Teaching, research and residential		6,950	1,086	0	8,036	7,517
<b>Governance costs</b>	8	23	0	0	23	26
<b>Total Resources Expended</b>		8,142	1,129	86	9,357	8,796
<b>Net incoming/(outgoing) resources before transfers</b>		394	1,647	1,547	3,588	6,983
Transfers between funds	19	1,154	561	(1,715)	0	0
<b>Net incoming/(outgoing) resources before other gains and losses</b>		1,548	2,208	(168)	3,588	6,983
<b>Other recognised gains/(losses)</b>						
Realised and unrealised investment gains/(losses)	19	6,650	0	6,251	12,901	7,749
<b>Net movement in funds for the year</b>		8,198	2,208	6,083	16,489	14,732
Fund balances brought forward	19	19,145	5,339	58,898	83,382	68,650
<b>Funds carried forward at 31 July</b>	19	27,343	7,547	64,981	99,871	83,382

All the Charity's activities relate to continuing operations.

**Exeter College, Oxford**  
**Consolidated and College Balance Sheets**  
**As at 31 July 2014**

	Notes	2014 Group £'000	2013 Group £'000	2014 College £'000	2013 College £'000
<b>FIXED ASSETS</b>					
Tangible assets	10	29,836	28,541	29,836	28,541
Property investments	11	19,997	7,768	14,996	7,611
Securities and other investments	12	44,609	51,103	49,987	51,288
		<b>94,442</b>	<b>87,412</b>	<b>94,819</b>	<b>87,440</b>
<b>CURRENT ASSETS</b>					
Stocks		114	137	114	127
Debtors	15	698	928	661	858
Deposits and other short term investments		0	0	0	0
Cash at bank and in hand		17,901	7,900	17,279	7,847
		<b>18,713</b>	<b>8,965</b>	<b>18,054</b>	<b>8,832</b>
<b>CREDITORS: falling due within one year</b>	16	<b>1,159</b>	<b>870</b>	<b>834</b>	<b>765</b>
<b>NET CURRENT ASSETS</b>		<b>17,554</b>	<b>8,095</b>	<b>17,220</b>	<b>8,067</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>111,996</b>	<b>95,507</b>	<b>112,039</b>	<b>95,507</b>
<b>CREDITORS: falling due after more than one year</b>	17	<b>12,000</b>	<b>12,000</b>	<b>12,000</b>	<b>12,000</b>
<b>Provisions for liabilities and charges</b>	18	<b>125</b>	<b>125</b>	<b>125</b>	<b>125</b>
<b>NET ASSETS</b>		<b>99,871</b>	<b>83,382</b>	<b>99,914</b>	<b>83,382</b>
<b>FUNDS OF THE COLLEGE</b>					
<b>Endowment funds</b>		<b>64,981</b>	<b>58,898</b>	<b>64,981</b>	<b>58,898</b>
<b>Restricted funds</b>		<b>7,547</b>	<b>5,339</b>	<b>7,547</b>	<b>5,339</b>
<b>Unrestricted funds</b>					
Designated funds		26,260	17,204	26,260	17,204
General funds		1,083	1,941	1,126	1,941
		<b>99,871</b>	<b>83,382</b>	<b>99,914</b>	<b>83,382</b>

The financial statements were approved and authorised for issue by the Governing Body of Exeter College, Oxford, on 5 November 2014.

Sir Richard Trainor (Trustee):

William Jensen (Trustee):

**Exeter College, Oxford**  
**Consolidated Cash Flow Statement**  
**For the year ended 31 July 2014**

	Notes	2014 Group £'000	2013 Group £'000
<b>Net cash inflow from operations</b>	25	<u>1,926</u>	<u>3,079</u>
<b>Returns on investments and servicing of finance</b>			
Income from investments		990	1,379
Finance costs paid		(640)	(611)
		<u>350</u>	<u>768</u>
<b>Capital expenditure and financial investment</b>			
New endowment capital received		1,376	3,548
Payments for tangible fixed assets		(2,413)	(1,423)
Proceeds from sales of tangible fixed assets		1,595	2
Payments for investments		(4,081)	(7,301)
Proceeds from sales of investments		10,970	4,915
Proceeds from sales of agricultural investments		278	0
Net movements in cashflows attributable to endowment investments		(8,543)	(1,162)
		<u>(818)</u>	<u>(1,421)</u>
<b>Management of liquid resources</b>			
Net (additions to) / withdrawals from term deposits		0	0
Net (purchase) / sale of current asset investments		0	0
		<u>0</u>	<u>0</u>
<b>Financing</b>			
New bank loans		0	540
Bank loans repaid		0	0
New lease finance		0	0
Deferred consideration on acquisition of property		0	(1,140)
Net movements in cashflows attributable to endowment investments		8,543	1,162
		<u>8,543</u>	<u>562</u>
<b>Increase in cash in the year</b>		<u>10,001</u>	<u>2,988</u>
<b>Reconciliation of net cash flow to movement in net funds/(debt)</b>			
Increase in cash in the year		10,001	2,988
Transfers to/(from) term deposits and current investments		0	0
Decrease in loan and lease finance		0	600
<b>Change in net funds/(debt)</b>		<u>10,001</u>	<u>3,588</u>
<b>Net funds/(debt) at 1 August</b>		(4,100)	(7,688)
<b>Net funds/(debt) at 31 July</b>	26	<u>5,901</u>	<u>(4,100)</u>

**Exeter College, Oxford**  
**Notes to the financial statements**  
**For the year ended 31 July 2014**

**1 INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	<b>2014 Total £'000</b>	2013 Total £'000
<b>Teaching, research and residential</b>					
Tuition fees - UK and EU students	1,286	0	0	<b>1,286</b>	1,236
Tuition fees - Overseas students	674	0	0	<b>674</b>	609
Other fees	81	0	0	<b>81</b>	69
Other HEFCE support	220	0	0	<b>220</b>	245
Other academic income	211	0	0	<b>211</b>	230
College residential income	2,872	0	0	<b>2,872</b>	2,878
	<u>5,344</u>	<u>0</u>	<u>0</u>	<u><b>5,344</b></u>	<u>5,267</u>

The above analysis includes £1,475k (2012: £1,353k) received from Oxford University under the CFF Scheme, net of College fees received directly.

**2 TRADING INCOME**

	<b>2014 £'000</b>	2013 £'000
Subsidiary company trading income	<b>320</b>	473
Other trading income	<b>43</b>	37
	<u><b>363</b></u>	<u>510</u>

**3 INVESTMENT INCOME**

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	<b>2014 Total £'000</b>	2013 Total £'000
Agricultural rent	91	15	60	<b>166</b>	177
Commercial rent	209	0	0	<b>209</b>	217
Other property income	0	0	0	<b>0</b>	0
Equity dividends	299	71	197	<b>567</b>	950
Income from fixed interest stocks	0	0	0	<b>0</b>	0
Interest on fixed term deposits and cash	0	0	0	<b>0</b>	0
Other investment income	0	0	0	<b>0</b>	0
	<u>599</u>	<u>86</u>	<u>257</u>	<u><b>942</b></u>	<u>1,344</u>

**4 BANK AND OTHER INTEREST INCOME**

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	<b>2014 Total £'000</b>	2013 Total £'000
Bank interest	48	0	0	<b>48</b>	35
Other interest	0	0	0	<b>0</b>	0
	<u>48</u>	<u>0</u>	<u>0</u>	<u><b>48</b></u>	<u>35</u>

**Exeter College, Oxford**  
**Notes to the financial statements**  
**For the year ended 31 July 2014**

**5 ANALYSIS OF RESOURCES EXPENDED**

	Direct staff costs £'000	Other direct costs £'000	Support costs £'000	<b>2014</b> <b>Total</b> <b>£'000</b>	2013 Total £'000
<b>Costs of generating funds</b>					
Fundraising	367	354	39	<b>760</b>	555
Trading expenditure	137	147	15	<b>299</b>	455
Investment management costs	0	239	0	<b>239</b>	243
<b>Total costs of generating funds</b>	<b>504</b>	<b>740</b>	<b>54</b>	<b>1,298</b>	1,253
<b>Charitable expenditure</b>					
Teaching, research and residential	3,442	2,687	1,907	<b>8,036</b>	7,517
<b>Total charitable expenditure</b>	<b>3,442</b>	<b>2,687</b>	<b>1,907</b>	<b>8,036</b>	7,517
<b>Governance costs</b>	<b>0</b>	<b>23</b>	<b>0</b>	<b>23</b>	26
<b>Total resources expended</b>	<b>3,946</b>	<b>3,450</b>	<b>1,961</b>	<b>9,357</b>	8,796

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 £38k (2013 - £23k).

**6 SUPPORT COSTS**

	Generating Funds £'000	Teaching, Research & Residential £'000	<b>2014</b> <b>Total</b> <b>£'000</b>	2013 Total £'000
Financial and domestic admin	24	328	<b>352</b>	319
Human resources	0	88	<b>88</b>	72
IT	0	188	<b>188</b>	171
Depreciation	30	663	<b>693</b>	677
Profit on sale of fixed assets	0	0	<b>0</b>	(2)
Bank interest payable	0	618	<b>618</b>	611
Other finance charges	0	22	<b>22</b>	0
	<b>54</b>	<b>1,907</b>	<b>1,961</b>	1,848

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	<b>2014</b> <b>Total</b> <b>£'000</b>	2013 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	59	307	<b>366</b>	377
Bursaries and hardship awards	64	111	<b>175</b>	160
Grants to other institutions	0	0	<b>0</b>	0
	<b>123</b>	<b>418</b>	<b>541</b>	537

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 2014**

**8 GOVERNANCE COSTS**

	<b>2014</b>	2013
	<b>£'000</b>	£'000
<b>Governance costs include:</b>		
Auditor's remuneration - audit services	18	18
Auditor's remuneration - other services	2	5
Legal and other fees on constitutional matters	1	1
Other governance costs	2	2
	<u>23</u>	<u>26</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**

	<b>2014</b>	2013
	<b>£'000</b>	£'000
The aggregate payroll costs for the year were as follows.		
Salaries and wages	3,636	3,481
Social security costs	241	234
Pension costs	509	447
	<u>4,386</u>	<u>4,162</u>

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

	<b>2014</b>	2013
Tuition and research	14	13
College residential	75	71
Fundraising	6	6
Support	10	9
Total	<u>105</u>	<u>99</u>

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

	<b>2014</b>	2013
University Lecturers	15	15
CUF Lecturers	9	10
Other teaching and research	7	7
Other	5	5
Total	<u>36</u>	<u>37</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 was one (2013: nil) employee during the year (excluding the College Trustees) whose gross pay and benefits (excluding employer NI and pension contributions) was between £60,000 and £70,000. This employee received pension benefits. No employee (excluding College Trustees) earned more than £70,000.

**Exeter College, Oxford**  
**Notes to the financial statements**  
**For the year ended 31 July 2014**

**10 TANGIBLE FIXED ASSETS**

<b>Group</b>	<b>Assets under construction £'000</b>	<b>Freehold land and buildings £'000</b>	<b>Plant and Machinery £'000</b>	<b>Fixtures, Fittings and Equipment £'000</b>	<b>Total £'000</b>
<b>Cost</b>					
At start of year	2,195	31,299	0	1,432	<b>34,926</b>
Additions	2,313	0	0	100	<b>2,413</b>
Disposals	0	(917)	0	0	<b>(917)</b>
Transfer	0	0	0	0	<b>0</b>
<b>At end of year</b>	<b>4,508</b>	<b>30,382</b>	<b>0</b>	<b>1,532</b>	<b>36,422</b>
<b>Depreciation</b>					
At start of year	0	5,196	0	1,189	<b>6,385</b>
Charge for the year	0	545	0	148	<b>693</b>
On disposals	0	(492)	0	0	<b>(492)</b>
<b>At end of year</b>	<b>0</b>	<b>5,249</b>	<b>0</b>	<b>1,337</b>	<b>6,586</b>
<b>Net book value</b>					
<b>At end of year</b>	<b>4,508</b>	<b>25,133</b>	<b>0</b>	<b>195</b>	<b>29,836</b>
At start of year	2,195	26,103	0	243	<b>28,541</b>
<b>College</b>					
<b>Cost</b>					
At start of year	2,195	31,299	0	1,432	<b>34,926</b>
Additions	2,313	0	0	100	<b>2,413</b>
Disposals	0	(917)	0	0	<b>(917)</b>
Transfer	0	0	0	0	<b>0</b>
<b>At end of year</b>	<b>4,508</b>	<b>30,382</b>	<b>0</b>	<b>1,532</b>	<b>36,422</b>
<b>Depreciation</b>					
At start of year	0	5,196	0	1,189	<b>6,385</b>
Charge for the year	0	545	0	148	<b>693</b>
On disposals	0	(492)	0	0	<b>(492)</b>
<b>At end of year</b>	<b>0</b>	<b>5,249</b>	<b>0</b>	<b>1,337</b>	<b>6,586</b>
<b>Net book value</b>					
<b>At end of year</b>	<b>4,508</b>	<b>25,133</b>	<b>0</b>	<b>195</b>	<b>29,836</b>
At start of year	2,195	26,103	0	243	<b>28,541</b>

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.

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**11 PROPERTY INVESTMENTS**

College	Agricultural	Commercial	Other	2014	2013
	£'000	£'000	£'000	Total £'000	Total £'000
Valuation at start of year	7,611	0	0	7,611	7,030
Additions and improvements at cost	0	0	5	5	0
Disposals net proceeds	(283)	0	0	(283)	0
Revaluation gains/(losses) in the year	1,013	0	6,650	7,663	581
<b>Valuation at end of year</b>	<b>8,341</b>	<b>0</b>	<b>6,655</b>	<b>14,996</b>	<b>7,611</b>

  

Group	Agricultural	Commercial	Other	2014	2013
	£'000	£'000	£'000	Total £'000	Total £'000
Valuation at start of year	7,768	0	0	7,768	7,176
Additions and improvements at cost	0	0	5	5	0
Disposals net proceeds	(283)	0	0	(283)	0
Revaluation gains/(losses) in the year	5,857	0	6,650	12,507	592
<b>Valuation at end of year</b>	<b>13,342</b>	<b>0</b>	<b>6,655</b>	<b>19,997</b>	<b>7,768</b>

Estates land and property valuations as at 31 July 2014 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**

	2014 £'000	2013 £'000
<b>Group investments</b>		
Valuation at start of year	51,103	41,560
New money invested	4,081	7,301
Amounts withdrawn	(10,970)	(4,915)
Reinvested income	0	0
Investment management fees	0	0
Increase in value of investments	395	7,157
<b>Group investments at end of year</b>	<b>44,609</b>	<b>51,103</b>
Investment in subsidiaries	5,378	185
<b>College investments at end of year</b>	<b>49,987</b>	<b>51,288</b>

Group investments comprise:	Held outside the UK	Held in the UK	2014	2013
	£'000	£'000	Total £'000	Total £'000
Equity investments	11,678	17,566	29,244	29,994
Global multi-asset funds	7,933	1,535	9,468	10,906
Property funds	0	2,536	2,536	1,937
Fixed interest stocks	3,045	0	3,045	3,968
Alternative and other investments	0	0	0	0
Fixed term deposits and cash	0	316	316	4,298
<b>Total group investments</b>	<b>22,656</b>	<b>21,953</b>	<b>44,609</b>	<b>51,103</b>

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**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, 100% of the issued share capital in Collexoncotoo Limited, a company providing design and build construction services to the College, and 100% of the issued share capital in Exeter College Yew Tree Hill Development Company Limited, a property investment company.  
The results of the subsidiaries and their assets and liabilities at the year end were as follows.

	Yew Tree Hill Dev Co Ltd	Exeter College Trading Ltd £'000	Collexoncotoo Limited £'000
Turnover	1	321	2,140
Expenditure	(1)	(310)	(2,112)
Donation to College under gift aid	0	(11)	(28)
Result for the year	<u>0</u>	<u>0</u>	<u>0</u>
Total assets	5,324	333	491
Total liabilities	(2)	(333)	(480)
Net funds at the end of year	<u>5,322</u>	<u>0</u>	<u>11</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
<b>Investment total return</b>			
Income distributions	257	457	714
Capital gains/losses	2,251	4,000	6,251
Investment management costs	(86)	(153)	(239)
Total return for the year	<u>2,422</u>	<u>4,304</u>	<u>6,726</u>
Amount applied as income for spending	<u>(670)</u>	<u>(1,524)</u>	<u>(2,194)</u>
Net increase in Unapplied Total Return in the year	1,752		
Unapplied Total Return at start of year	7,621		
<b>Unapplied Total Return at end of year</b>	<u>9,373</u>		
<b>Preserved value of original permanent endowments</b>	<u>14,192</u>		

**15 DEBTORS**

	2014 Group £'000	2013 Group £'000	2014 College £'000	2013 College £'000
<b>Amounts falling due within one year:</b>				
Trade debtors	220	323	183	253
Amounts owed by College members	0	0	0	0
Amounts owed by Group undertakings	0	0	0	0
Loans repayable within one year	0	0	0	0
Prepayments and accrued income	445	583	445	583
Other Debtors	33	22	33	22
<b>Amounts falling due after more than one year:</b>				
Loans	0	0	0	0
	<u>698</u>	<u>928</u>	<u>661</u>	<u>858</u>

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**16 CREDITORS: falling due within one year**

	<b>2014</b>	2013	<b>2014</b>	2013
	<b>Group</b>	Group	<b>College</b>	College
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Bank overdrafts	0	0	0	0
Bank loans	0	0	0	0
Obligations under finance leases	0	0	0	0
Trade creditors	217	308	165	216
Amounts owed to College Members	0	0	0	0
Amounts owed to Group undertakings	0	0	99	25
Taxation and social security	1	48	63	69
College contribution	37	37	37	37
Accruals and deferred income	593	204	159	145
Other creditors	311	273	311	273
	<b>1,159</b>	870	<b>834</b>	765

**17 CREDITORS: falling due after more than one year**

	<b>2014</b>	2013	<b>2014</b>	2013
	<b>Group</b>	Group	<b>College</b>	College
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Bank loans	12,000	12,000	12,000	12,000
Obligations under finance leases	0	0	0	0
Other creditors	0	0	0	0
	<b>12,000</b>	12,000	<b>12,000</b>	12,000

A revolving facility and/or term loan agreement has been arranged enabling the College to borrow up to a maximum of £12m. The loan carries interest at 0.55% above LIBOR. The maximum term of any term loan facility is 27 March 2022. Earlier repayments of term loans from surpluses, the sale of existing assets or donations may be made without penalty.

**18 PROVISIONS FOR LIABILITIES AND CHARGES**

	<b>2014</b>	2013	<b>2014</b>	2013
	<b>Group</b>	Group	<b>College</b>	College
	<b>£'000</b>	£'000	<b>£'000</b>	£'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
<b>At end of year</b>	<b>125</b>	125	<b>125</b>	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.

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**19 FUNDS OF THE COLLEGE MOVEMENTS**

	At 1 August 2013 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2014 £'000
<b>Endowment Funds - Permanent</b>						
Tuition & Fellowship Support	8,032	1,309	(36)	(285)	955	<b>9,975</b>
Scholarships, Exhibitions, Prizes and Travel Funds	3,724	58	(15)	(146)	383	<b>4,004</b>
Studentships	7,309	83	(28)	(501)	726	<b>7,589</b>
Student Assistance, Bursaries and Hardship	1,829	21	(7)	(197)	174	<b>1,820</b>
Other Funds	127	1	0	(4)	13	<b>137</b>
<b>Endowment Funds - Expendable</b>						
Tuition & Fellowship Support	3,328	16	0	(77)	346	<b>3,613</b>
Scholarships, Exhibitions, Prizes and Travel Funds	0	0	0	0	0	<b>0</b>
Studentships	947	4	0	229	127	<b>1,307</b>
Student Assistance, Bursaries and Hardship	270	141	0	336	79	<b>826</b>
Other Funds	300	0	0	(7)	31	<b>324</b>
Exeter College Main Fund	33,032	0	0	(1,063)	3,417	<b>35,386</b>
<b>Total Endowment Funds</b>	<b>58,898</b>	<b>1,633</b>	<b>(86)</b>	<b>(1,715)</b>	<b>6,251</b>	<b>64,981</b>
<b>Restricted Funds</b>						
Tuition & Fellowship Support	168	274	(634)	360	0	<b>168</b>
Scholarships, Exhibitions, Prizes and Travel Funds	64	30	(41)	23	0	<b>76</b>
Studentships	368	66	(298)	273	0	<b>409</b>
Student Assistance, Bursaries and Hardship	219	15	(83)	(106)	0	<b>45</b>
Other Funds	4,520	2,391	(73)	11	0	<b>6,849</b>
<b>Total Restricted Funds</b>	<b>5,339</b>	<b>2,776</b>	<b>(1,129)</b>	<b>561</b>	<b>0</b>	<b>7,547</b>
<b>Unrestricted Funds</b>						
General Reserve	1,941	7,239	(7,956)	(141)	0	<b>1,083</b>
Designated Funds:						
Fixed Asset Reserve	16,541	0	0	1,295	0	<b>17,836</b>
Designated Reserves	663	1,297	(186)	0	6,650	<b>8,424</b>
<b>Total Unrestricted Funds</b>	<b>19,145</b>	<b>8,536</b>	<b>(8,142)</b>	<b>1,154</b>	<b>6,650</b>	<b>27,343</b>
<b>Total Funds</b>	<b>83,382</b>	<b>12,945</b>	<b>(9,357)</b>	<b>0</b>	<b>12,901</b>	<b>99,871</b>
<b>Transfers Detail</b>						
	<b>Unrestricted funds</b>	<b>Designated funds</b>	<b>Restricted funds</b>	<b>Permanent Endowment</b>	<b>Expendable Endowment</b>	<b>Total</b>
Transfer for investment total return	1,154		561	(1,133)	(582)	0
Designation in year	(1,295)	1,295				0
<b>Total</b>	<b>(141)</b>	<b>1,295</b>	<b>561</b>	<b>(1,133)</b>	<b>(582)</b>	<b>0</b>

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

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**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 eleven 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 eight 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	Three 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	Two 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 for a graduate student. The income and capital is to be spent.
Student Assistance, Bursaries and Hardship	Four 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	29,836	0	0	<b>29,836</b>
Borrowings on acquisition of fixed assets	(12,000)	0	0	<b>(12,000)</b>
Property investments	0	0	19,997	<b>19,997</b>
Securities and other investments	0	0	44,609	<b>44,609</b>
Net current assets	9,507	7,547	375	<b>17,429</b>
	<u>27,343</u>	<u>7,547</u>	<u>64,981</u>	<u><b>99,871</b></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 Sub-Rector, Computing Fellow and Fellow Librarian. These amounts are included within the remuneration figures below. The total remuneration and taxable benefits as shown below is £1,076,069 (2013: £1,060,347). The total of pension contributions is £165,208 (2013: £163,695).

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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**22 TRUSTEES' REMUNERATION (cont'd)**

**Remuneration paid to trustees**

Range	2014		2013	
	Number of trustees/fellows	Gross remuneration, taxable benefits and pension contributions £	Number of trustees/fellows	Gross remuneration, taxable benefits and pension contributions £
£1,000-£1,999	0	-	1	1,560
£3,000-£3,998	1	3,886	0	-
£4,000-£4,999	1	4,068	1	4,576
£5,000-£5,999	0	-	2	10,996
£7,000-£7,999	1	7,164	0	-
£8,000-£8,999	2	17,384	0	-
£9,000-£9,999	0	-	3	28,392
£13,000-£13,999	1	13,645	2	27,074
£16,000-£16,999	1	16,492	0	-
£17,000-£17,999	1	17,566	0	-
£18,000-£18,999	1	18,379	0	-
£19,000-£19,999	1	19,309	1	19,446
£20,000-£20,999	4	82,222	8	164,729
£21,000-£21,999	2	42,910	2	43,413
£22,000-£22,999	1	22,356	0	-
£23,000-£23,999	0	-	1	23,316
£24,000-£24,999	0	-	1	24,549
£26,000-£26,999	1	26,045	0	-
£27,000-£27,999	1	27,080	0	-
£28,000-£28,999	2	57,324	0	-
£31,000-£31,999	1	31,517	0	-
£33,000-£33,999	2	67,338	0	-
£34,000-£34,999	0	-	1	34,334
£36,000-£36,999	0	-	1	36,535
£38,000-£38,999	1	38,495	1	38,565
£40,000-£40,999	0	-	1	40,797
£41,000-£41,999	3	123,845	0	-
£43,000-£43,999	0	-	2	87,338
£44,000-£44,999	0	-	1	44,154
£45,000-£45,999	1	45,258	0	-
£48,000-£48,999	0	-	1	48,424
£49,000-£49,999	0	-	1	49,278
£50,000-£50,999	0	-	2	101,125
£51,000-£51,999	3	153,925	0	-
£52,000-£52,999	2	105,122	0	-
£53,000-£53,999	0	-	1	53,358
£54,000-£54,999	0	-	1	54,216
£68,000-£68,999	1	68,543	0	-
£69,000-£69,999	0	-	2	138,684
£73,000-£73,999	0	-	1	73,544
£74,000-£74,999	1	74,279	0	-
£77,000-£77,999	2	155,612	1	77,152
<b>Total</b>	<b>38</b>	<b>1,239,764</b>	<b>39</b>	<b>1,225,555</b>

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 £24,034 were paid to 28 trustees (2013: £29,639 to 27 trustees). Of this total, £5,393 (2013: £13,398) was reimbursed travel costs, £12,059 (2013: £13,320) was reimbursed book and research allowances and £6,582 (2013: £3,010) was other minor general expenditure incurred in their capacity as a Fellow of the College.

**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 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:	31/03/2011	31/03/2013
Date valuation results published:	15/06/2012	23/06/2014
Value of liabilities:	£35,344m	£597m
Value of assets:	£32,434m	£424m
Funding Surplus/(Deficit):	(£2,910m) a&b	(£173m) <sup>c</sup>
Principal assumptions:		
Rate of interest (past service liabilities)	6.1% pa	-
Rate of interest (future service liabilities)	6.1% pa	-
Rate of interest (periods up to retirement)	-	4.4% pa
Rate of interest (periods after retirement)	-	4.4% pa
Rate of increase in salaries	4.4% pa	4.5% pa
Rate of increase in pensions	3.4% pa <sup>d</sup>	4.4% pa
Mortality assumptions:		
Assumed life expectancy at age 65 (males)	23.7 yrs	22.5 yrs
Assumed life expectancy at age 65 (females)	25.6 yrs	25.2 yrs
Funding Ratios:		
Technical Provisions basis:	92%	71%
Statutory Pension Protection Fund basis:	93%	69%
"Buy-out" basis:	57%	44%
Estimated FRS17 basis	82%	75%
Recommended Employer's contribution rate (as % of pensionable salaries):	16% <sup>e</sup>	21.5%, increasing to 23.5% <sup>f</sup>
Effective date of next valuation:	31/03/2014	31/03/2016

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Notes:

a. USS' actuarial valuation as at 31st March 2011 identified a funding deficit of £2,910m. USS implemented with effect from 1st October 2011 a package of changes, including the admission of new members into a Career Revalued Benefits section. Further details about the changes may be reviewed on USS' website, [www.uss.co.uk](http://www.uss.co.uk). After allowing for those changes, the actuary established a long term employer contribution rate of 12.6% of total pensionable salaries for the 2011/12 year, reducing over time. USS agreed with Universities UK, on behalf of all the employers participating in the scheme, to address the deficit by continuing the employer contribution rate at the previously agreed rate of 16% of total pensionable salaries (this being the rate paid by the employers since 1st October 2009) until 31st March 2017, following which the employers will pay an additional 2% of salaries in excess of the blended employer future service cost of accruals. The actuary has certified that the additional contribution should eliminate the deficit by 31st March 2021.

b. As the work on the 2014 valuation for USS is not yet complete the trustee cannot provide the final figure for funding as at 31 March 2014. However, an estimate has been provided using the assumptions to deliver the 2011 actuarial valuation. On that basis the actuary has estimated that the funding level under the scheme specific funding regime will have fallen from 92% at 31 March 2011 to 85% at 31 March 2014. This estimate is based on the results from the valuation at 31 March 2011 allowing primarily for investment returns and changes to market conditions.

c. OSPS' actuarial valuation as at 31 March 2013 identified a required long-term employer contribution rate of 20.1% of total pensionable salaries, and a funding deficit of £173m. The University of Oxford, on behalf of all the employers participating in the scheme, has agreed with the trustees of OSPS to address this deficit by raising the employer contribution rate in increments of 0.5% of pensionable salary to 23.5%, with this increase being implemented over the next three years to 1 August 2017. The actuary has certified that the additional contribution should eliminate the deficit by 30 June 2026.

d. USS' actuary has assumed that pension increases will be 3.4% a year for the three years to 31st March 2014, then 2.6% a year thereafter.

e. As noted above (note a.), the USS employer contribution rate required for future service benefits alone at the date of the valuation was 12.6% of total pensionable salaries. It was agreed that employers should continue to contribute at the previously agreed rate of 16% of total pensionable salaries (this being the rate paid by the employers since 1st October 2009) until 31st March 2017, following which the employers will pay an additional 2% of salaries in excess of the blended employer future service cost of accruals.

f. As noted above (note c.), the OSPS employer contribution rate required for future service benefits alone at the date of the valuation was 20.1% of total pensionable salaries. It was agreed that employers increase contribution rate by 0.5% each year to 1 August 2017 to 23.5%.

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 £3.2bn	decrease / increase by £63m
Rate of pension increases	increase/decrease by 0.5%	increase / decrease by £2.0bn	increase / decrease by £41m
Rate of salary growth	increase/decrease by 0.5%	increase / decrease by £1.2bn	increase / decrease by £13m
Rate of mortality	more prudent assumption (mortality used at last valuation, rated down by a further year)	increase by £0.8bn	increase by £20m

**Exeter College, Oxford**  
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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	2014 £'000	2013 £'000
Universities Superannuation Scheme	282	267
University of Oxford Staff Pension Scheme	225	175
Other Schemes - contributions	3	6
<b>Total:</b>	<b>510</b>	<b>448</b>

**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**

	2014 £'000	2013 £'000
<b>Net incoming resources for the year</b>	<b>3,588</b>	<b>6,983</b>
Elimination of non-operating cash flows:		
- Investment income	(990)	(1,379)
- Endowment donations	(1,376)	(3,548)
- Financing costs	640	611
Depreciation	693	677
(Surplus)/loss on sale of fixed assets	(1,174)	(2)
Decrease/(Increase) in stock	23	(21)
Decrease/(Increase) in debtors	230	(232)
(Decrease)/Increase in creditors	292	(10)
(Decrease)/Increase in provisions	0	0
<b>Net cash inflow/(outflow) from operations</b>	<b>1,926</b>	<b>3,079</b>

**26 ANALYSIS OF CHANGES IN NET (DEBT)/FUNDS**

	2013 £'000	Cash flow £'000	2014 £'000
Cash at bank and in hand	7,900	10,001	<b>17,901</b>
Bank overdrafts	0	0	<b>0</b>
	<u>7,900</u>	<u>10,001</u>	<u><b>17,901</b></u>
Deposits and other short term investments	0	0	<b>0</b>
Bank loans due within one year	0	0	<b>0</b>
Bank loans due after one year	(12,000)	0	<b>(12,000)</b>
Deferred consideration on acquisition of property	0	0	<b>0</b>
	<u>(4,100)</u>	<u>10,001</u>	<u><b>5,901</b></u>

**Exeter College, Oxford**  
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**27 FINANCIAL COMMITMENTS**

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

	<b>2014</b>	2013
	<b>£'000</b>	£'000
<b>Land and buildings</b>		
- 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>
<b>Other</b>		
- expiring within one year	0	0
- expiring between two and five years	3	0
- expiring in over five years	0	0
	<u>3</u>	<u>0</u>

**28 CAPITAL COMMITMENTS**

The College had contracted commitments at 31 July for future capital projects totalling £2,137,908 (2013 - £1,332,823).

**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.

**30 CONTINGENT LIABILITIES**

There were no contingent liabilities at 31 July 2014.

**31 POST BALANCE SHEET EVENTS**

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