

Keble College

Annual Report and Financial Statements

Year ended 31 July 2014

KEBLE COLLEGE
Annual Report and Financial Statements
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KEBLE COLLEGE

Governing Body, Officers and Advisers

Year ended 31 July 2014

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 or subsequently are detailed below.

		(1)	(2)	(3)	(4)	(5)
Sir Jonathan Phillips	Warden	•	•	•	•	
Mr RJ Boden	Bursar	•	•		•	
Dr AP Rogers	Senior Tutor			•		
Ms J Tudge	Development Director				•	
The Revd J Strawbridge	Chaplain					
Prof HL Anderson	Professorial Fellow					
Dr IW Archer	Fellow & Tutor in Modern History					
Dr LM Bendall	Fellow & Tutor in Archaeology and Anthropology			•		
Dr M Bevis	Fellow & Tutor in English					
Prof M Bockmuehl	Fellow & Tutor in Theology					
Dr S Butt	Fellow & Tutor in Neurophysiology			•		
Dr SA Cameron	Fellow & Tutor in Computation	•	•			
Dr A Caughey	Fixed Term Fellow in Old & Middle English (from 1.10.13)					
Prof G-Q Chen	Professorial Fellow					
Dr M Clarke	Fellow & Tutor in Social Anthropology					
Prof R Darton	Senior Research Fellow in Chemical Engineering					
Prof S Faulkner	Fellow & Tutor in Inorganic Chemistry			•		
Prof N Gardini	Fellow & Tutor in Italian					
Prof C Gosden	Professorial Fellow				•	
Dr J Goudkamp	Fellow & Tutor in Law (from 1.10.13)					
Dr B Greenhough	Fellow & Tutor in Geography (from 1.9.14)					
Dr U Gruneberg	Fellow & Tutor in Exp. Pathology					
Dr ERF Harcourt	Fellow & Tutor in Philosophy	•				
Dr MN Hawcroft	Fellow & Tutor in French			•	•	
Prof T Higham	Fellow by Special Election					
Prof J Hodgkin	Professorial Fellow					
Prof T Irwin	Professorial Fellow					
Prof D Jaksch	Fellow & Tutor in Physics			•		
Prof PW Jeffreys	Professorial Fellow	•				
Prof TJ Jenkinson	Professorial Fellow		•			
Prof A Juhasz	Fellow & Tutor in Mathematics (from 1.9.13)					
Prof SE Kearsey	Fellow & Tutor in Biology			•	•	
Prof V Mayer-Schonberger	Professorial Fellow					
Dr D McDermott	Fellow & Tutor in Politics					
Dr A-MS Misra	Fellow & Tutor in Modern History			•		
Prof P Newman	Professorial Fellow					
Dr J Palmer	Fixed Term Fellow in Geography					
Dr S Payne	Fellow & Tutor in Engineering Science					
Prof WE Peel	Fellow & Tutor in Jurisprudence			•		
Prof A Phelan	Fellow & Tutor in German (to 30.9.13)					
Ms A Ptak-Danchak	Fellow by Special Election			•		
Dr D Purkiss	Fellow & Tutor in English Language & Literature					
Prof S Rayner	Professorial Fellow	•				
Prof G Reinert	Fellow & Tutor in Mathematics					
Dr K Sheppard	Fellow & Tutor in Economics					
Dr B Smith	Fellow & Tutor in Experimental Quantum Physics					
Dr H Smith	Fellow & Tutor in Economics			•		
Dr K Soonawalla	Fellow & Tutor in Management (from 1.10.13)					

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Governing Body, Officers and Advisers

Year ended 31 July 2014

Members of the Governing Body (contd.)		(1)	(2)	(3)	(4)	(5)
Prof PH Taylor	Fellow & Tutor in Civil Engineering					
Prof J Tomlinson	Professorial Fellow (from 4.8.14)					
Prof R Washington	Fellow & Tutor in Geography					
Prof S Whatmore	Professorial Fellow					

Non-Trustee Committee Members		(1)	(2)	(3)	(4)	(5)
Dr C Booth	Fellow by Special Election	•				
Mr J Buchanan	External					•
Mr M Chambers	External		•			
Dr S Clark	Internal	•				
Mr A Dalkin	External					•
Ms H Harrison	External					•
Mr R Jolliffe	External		•			
Dr H Jones	Fellow by Special Election		•			
Mr M Jones	External		•			
Mr G Kerr	Fellow by Special Election	•				
Ms Y Murphy	Librarian			•		
Ms J Newbury	External					•
Mr G Robinson	External		•			
Mr V Sharma	External				•	
Dr T Sowerby	Research Fellow & Tutor			•		
Mr C Wigg	External					•

During the year the activities of the Governing Body were carried out through five principal committees:

- (1) Finance Committee
- (2) Investment Advisory Committee
- (3) Academic Committee
- (4) Development Committee
- (5) Remuneration Committee

The membership of these committees is shown above. In addition the Governing Body, the Finance Committee and the Academic Committee had non-voting student representatives. The Remuneration Committee is responsible for reviewing and approving the pay and benefits of members of the Governing Body. Its members are all external, with the Warden and Bursar in attendance (except for items relating to their remuneration).

COLLEGE SENIOR STAFF

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

The Warden	Sir Jonathan Phillips
The Bursar	Mr RJ Boden
The Senior Tutor	Dr AP Rogers
The Development Director	Ms J Tudge

Auditors

Critchleys LLP
Greyfriars Court
Paradise Square
Oxford
OX1 1BE

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Governing Body, Officers and Advisers

Year ended 31 July 2014

Bankers

Barclays Bank Plc
Oxford City Centre Branch
PO Box 333
Oxford
OX1 3HS

Investment advisors

Cerno Capital Partners LLP
34 Sackville Street
London
W1S 3ED

Investment managers

Oxford University Endowment Management
King Charles House
Park End Street
Oxford
OX1 1JD

Solicitors

Mills & Reeve LLP
Botanic House
100 Hills Road
Cambridge
CB2 1PH

Buildings Conservation Advisor

Mr David Yandell

COLLEGE ADDRESS

Keble College
Parks Road
Oxford
OX1 3PG

Website

www.keble.ox.ac.uk

KEBLE COLLEGE

Report of the Governing Body

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 Warden Fellows and Scholars of Keble College in the University of Oxford, known as Keble College ("the College"), is an eleemosynary chartered charitable corporation aggregate. It was founded by public subscription in 1870 in memory of the Reverend John Keble, on land in the parish of St Giles purchased from St John's College, with the object of providing a University education for young men in a College conducted in accordance with the principles of the Church of England.

The College is registered with the Charity Commission (registered number 1143997). The names of all Members of the Governing Body at the date of this report and of those in office during the year, together with details of the senior staff and advisers of the College, are given on pages 2 to 4.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

The College was incorporated by Royal Charter dated 6 June 1870. The Charter of Incorporation was modified by a Supplemental Charter dated 7 April 1902, and subsequently by Statutes made by the University of Oxford Commissioners on 14 July 1925, under the provisions of the Universities of Oxford and Cambridge Act, 1923. The Charter of Incorporation and the Statutes of 1925 were further amended in 1952 and further modified by subsequent amendments. The current Statutes were approved by Her Majesty in Council on 13 April 2011.

Governing Body

The Governing Body is constituted and regulated in accordance with the College Statutes, the terms of which are enforceable ultimately by the Visitor, who is the Archbishop of Canterbury. The Governing Body is self-appointing, has such powers as are conferred on it by its Charter and Statutes, and has the entire direction and management of the affairs of the College.

The Governing Body appoints the Warden, Fellows, Tutors, Lecturers and such administrative and other officers as the Governing Body thinks necessary from time to time. It determines the ongoing strategic direction of the College and regulates its administration and the management of its finances and assets. It appoints committees and delegates to them such powers as it thinks fit. The committees charged with overseeing the conduct of College business are listed below in the section headed "Organisation Management"

Recruitment and training of Members of the Governing Body

New Members of the Governing Body are, in the case of academics, normally recruited through a joint appointment process with the University of Oxford which includes open advertisement of the posts and a professional selection and appointment process. In the case of posts funded solely by the College, recruitment is also through open advertisement of the post followed by a professional selection and appointment process including external representatives as appropriate. New members of the Governing Body are inducted into the workings of the College, including Governing Body policy and procedures, through meetings with the Warden, the Senior Tutor and the Bursar and the provision of a comprehensive set of reference documents.

Members of the Governing Body attend trustee training and information courses as appropriate to keep them informed on current issues in the sector and on regulatory requirements.

Organisation management

The Governing Body meets 9 times a year. The work of developing College policy and monitoring implementation is carried out by 15 committees:

- *Finance Committee*
Oversees all matters of financial policy and practice, and in particular the financial implications of any proposals under consideration. Reviews and makes recommendations concerning annual statements of accounts for the preceding year, budgets and management accounts, College charges, trading activities, IT provision, salary policy, investment recommendations from the Investment Advisory Committee.
- *Investment Advisory Committee*
Provides advice to Governing Body, through Finance Committee, on the investments of the College and the appropriate level of income drawdown.

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Report of the Governing Body

- *Remuneration Committee*
Oversees the remuneration of employees who are also trustees and considers any recommendations on their pay and benefits put forward by the Governing Body. These it may either approve or refer back to Governing Body with a recommendation that the proposed pay and benefits be reconsidered with a view to their being reduced.
- *Pay and Benefits Committee*
Conducts an annual review of pay and benefits proposals of employees, within a financial framework set by Finance Committee. Makes recommendations on policy to Finance Committee.
- *Academic Committee*
Oversees planning in academic matters and the level and quality of academic provision and library services to junior members. Monitors the appropriateness of the existing establishment of Tutors and Lecturers in relation to the academic needs of the College. Considers and makes recommendations on advice from the Research Committee concerning the use of funds available for the purpose of research.
- *Research Committee*
Monitors and co-ordinates research activities within the College and makes recommendations on the distribution of College research funds and the appointment of research visitors and associates.
- *Fellowships Committee*
Advises on nominations to honorary and emeritus fellowships and fellowships by special election.
- *Student Support Committee*
Makes recommendations concerning the overall level of student support. Considers and makes awards in response to individual applications for support.
- *Advowsons Committee*
Oversees the College's patronage of 67 Church of England parishes throughout the UK and makes recommendations on the application of income from the Harlow Trust, Poor Parishes Trust, and Ordinands' Fund.
- *Development Committee*
Oversees the activities of the development office, which is responsible for alumni relations and fundraising.
- *Buildings and Gardens Committee*
Oversees the maintenance and development of the College's buildings and grounds.
- *Domestic Committee*
Oversees the provision of board and lodging to College members.
- *Human Resources Committee*
Oversees all aspects of HR policy and implementation, including equality issues.
- *Health and Safety Committee*
Monitors the College's health and safety record, commissions and reviews an annual external health and safety audit, and makes policy recommendations.
- *Data Security Committee*
Reviews data security policies and procedures and monitors their implementation.

The day-to-day running of the College is delegated by Governing Body to the Warden, the Bursar and the Senior Tutor, with the Development Director having delegated responsibility for the College's fundraising activities.

Group structure and relationships

As noted above, the College, through an Advowsons Committee, appoints to the livings of 67 Church of England parishes and, among other activities, administers two trusts whose objects, external to those of the College, are the support of parishes and Church of England activities.

The College also has two wholly owned non-charitable subsidiaries. Conference Keble Limited arranges conferences and other residential and non-residential events which generate trading revenue from the use of the College's facilities when they are not required for its primary purpose. The annual profits of Conference Keble are donated to the College under the Gift Aid Scheme. Keble Properties Limited undertakes major design and build works under contract to the College.

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Report of the Governing Body

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. All the College committees monitor risk on an ongoing basis and conduct an annual review of the major risks to which the College is exposed in their area of responsibility. Their findings are aggregated into a report on major risks which is considered by the Governing Body each year.

The Governing Body, which has ultimate responsibility for managing any risks faced by the College, has given consideration to the major risks to which the College and its subsidiaries are exposed and has concluded that adequate systems are in place to manage these risks. It is recognised that systems can provide only reasonable but not absolute assurance that major risks have been managed.

OBJECTIVES AND ACTIVITIES

Charitable Objects and Aims

The College's Objects are:

- (1) The provision of a University education in a College in the University of Oxford to be called Keble College conducted in accordance with the principles of the Church of England
- (2) The advancement of education and learning and the promotion of research

The Governing Body is mindful of the long-standing requirement to provide public benefit and of the disclosure requirements of the Charities Act 2006. In this connection the Governing Body has monitored closely the general and supplemental guidance produced by the Charity Commission, in particular its public benefit guidance on advancement of education and on fee-charging.

The College's aims for the public benefit are set out below.

Public benefit

The College provides, in conjunction with the University of Oxford, an education for some 420 undergraduate and 280 graduate students which is recognised internationally as being of the highest standard. This education develops students academically and enables them to develop their leadership qualities and interpersonal skills, and so prepares them to play full and effective roles in society. In particular, the College provides:

- teaching facilities, individual or small-group supervision, as well as pastoral, administrative and academic support through its tutorial and graduate mentoring systems;
- welfare services, including the availability of the Chaplain to assist every member of the College of every religious belief and none, and medical support including a College nurse and doctor;
- student grants for study purposes and for cases of financial need, partly provided through the continuing support of the Keble Association of Old Members of the College;
- IT and other administrative support;
- specialist choral musical education for its choral students, who are members of the College's renowned choir;
- specialist organ musical education for its organ students;
- social, cultural, musical, recreational and sporting facilities to enable each of its students to realise as much as possible of their academic and personal potential whilst studying at the College.

The College advances research through:

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- providing Research Fellowships, Career Development Fellowships, and Research Associateships to outstanding academics at the early stages of their careers, which enable them to develop and focus on their research in this formative period before they undertake the full teaching and administrative duties of an academic post;
- supporting research work pursued by its Fellows and others through promoting interaction within and across disciplines, granting sabbatical leave to enable them to concentrate on research work, developing a centre of advanced study to act as a hub for the exchange and dissemination of research ideas, and providing facilities and grants for national and international conferences, research trips and research materials;
- encouraging visits from outstanding academics from abroad; and
- encouraging members of the College to disseminate the results of their research to other academics and the general public through the publication of papers in academic journals and books, through presentation at conferences, through media appearances and press articles and other suitable means.

The College maintains an extensive Library (including important special collections), so providing a valuable resource for students and Fellows of the College. On a discretionary basis, the College makes its library available to members of other Colleges and the University of Oxford more widely, external scholars and researchers, as well as local children from maintained and other schools as part of educational visits.

The College supports a Chapel with a programme of religious services open to all.

Through its outreach and schools liaison activities, the College fosters the general educational and university aspirations of students from a wide range of social backgrounds.

The College does not consider that there is any detriment or harm that arises from carrying out the College's aims and is not aware of views among others that such detriment or harm might arise.

The members of the College, both students and academic staff, are the primary beneficiaries and are directly engaged in education, learning and/or research.

However, beneficiaries also include: students and academic staff from other colleges in Oxford and the University of Oxford more widely, visiting academics from other higher education institutions and visiting schoolchildren and alumni of the College who have an opportunity to attend educational events at the College and use its academic facilities. The general public are also able to attend various educational activities in the College such as lectures, seminars, and conferences, and benefit also from being admitted without charge to the College's grounds and able to view its historical and artistic heritage and holdings.

The College admits as students those who have the highest potential for benefiting from the education provided by the College and the University and recruits as academic staff those who are able to contribute most to the academic excellence of the College, regardless of their financial, social, religious or ethnic background:

- there are no geographical restrictions in the College's objects and students and academic staff of the College are drawn from across the UK and internationally;
- there are no age restrictions in the College's objects but students of the College are predominantly between 18 and 24 years old; and
- there are not considered to be any religious restrictions in the College's objects and members of the College have a wide variety of faith traditions or none.

The focus of the College is strongly academic and students need to satisfy high academic entry requirements.

The College charges the following fees:

- a) College fees at externally regulated rates to undergraduates entitled to Student Support and to graduate students (with those undergraduate fees being paid by grant funding through arrangements approved by the Government), and a fee determined by the College annually to Overseas undergraduates and any Home/EU undergraduates not entitled to Student Support; and
- b) Accommodation and meal charges at reasonable rates.

In order to assist undergraduates entitled to Student Support, there is a comprehensive Bursary scheme in place to support students from lower income backgrounds, which is funded by both the University and College. The types and level of support varied during the 2013/14 academic year, due to the introduction of a new fee regime, (which incorporated

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fee waivers) and hence the introduction of a slightly different Bursary scheme (Oxford Bursary Scheme) for those Undergraduates commencing study with effect from October 2012. The following is a summary of awards made to Home/EU undergraduates during the year:

Oxford Opportunity Bursaries (Pre 2012 entry) : 47 awards out of a Home/EU population of 107; 19 of the awards were at the maximum value of £3,225; and the average value of the awards was £2,455.

Oxford Bursary (October 12 starters): 30 awards out of a population of 115: 15 of the awards were at the maximum value of £3,300: the average value of the awards varied between £2,583.

Oxford Bursary (October 2013 starters): 25 awards out of a population of 107: 7 awards at the maximum of £3,300: the average value of the awards varied between £2,264 and £2,824 (depending on whether the award included a start-up payment – intended to help first year students with the costs associated with starting University).

To assist graduate students, the College provides substantial financial support. Through schemes operated in conjunction with the University, this includes scholarship packages to fund fees and living costs and 'top-up' assistance to fill shortfalls in students' funding.

The College also supports students through grant schemes to assist with the purchase of books and equipment, attendance at conferences, childcare support and travel grants.

The College also makes awards for academic development and has various scholarships and prizes available to reward academic excellence.

In addition to its other programmes, the College operates a hardship scheme for students in financial hardship and provides access to hardship schemes operated by the University.

To raise educational aspiration and attract outstanding applicants who might not otherwise have considered applying to the college, the College operates an extensive outreach programme as part of University-wide initiatives to widen access. This programme is under the responsibility of the Senior Tutor and includes an extensive programme of visits by schools to the College, open days, admissions symposia for teachers, as well as visits to schools and guidance and information on the College website for prospective applicants. In agreement with the other Oxford colleges as an outreach initiative, the College has particular links with prospective applicants from Birmingham and surrounding areas.

In order to fulfil its charitable purposes of advancing education, learning and research, the College employs a Warden, who serves as head of the College, and, as Governing Body Fellows, senior academic staff, most of whom supervise and tutor students, the College Chaplain, and senior administrative officers. These all serve as charity trustees through being members of the College's Governing Body. The employment of the Warden and Fellows is undertaken with the intention of furthering the College's aims and their employment directly contributes to the fulfilment of those aims. The private benefit accruing to the Warden and Fellows through salaries, stipends and employment related benefits is objectively reasonable, measured against academic stipends generally, and is subject to the oversight of a Remuneration Committee. Without the employment of the Warden, academic fellows, Chaplain and senior administrative officers the College could not fulfil its charitable aims as a College in the University of Oxford.

Many of the trustees also receive benefits (for example research, conference and book grants) which are provided with the intention of furthering the College's aims, including that of advancing research. The amounts of the benefits provided are objectively reasonable, measured against the academic benefits made available to other beneficiaries of the College.

ACHIEVEMENTS AND PERFORMANCE

In the 2013-14 undergraduate admissions round Keble received 840 applications, the highest ever number for the College and second highest for any Oxford college. The annual increase was 8.8% and over a period of seven years applications have risen by 40%. In line with recent years, the majority of applicants (655, 78%) were from the UK with smaller numbers from elsewhere in the EU (46, 5%) and from overseas (138, 16%). Among Home (UK) applicants, 60% attended schools in the UK maintained sector and they comprised just under half (47%) of all applicants. This was slightly more than in 2012-13. In terms of offers made the proportions were: maintained 46%; UK independent 40%; and other 15%. This is not dissimilar to the pattern of the past 5 years.

There were 701 students enrolled in College in 2013-14 (excluding visiting students), an increase from previous years. Of these, 422 (60%) were undergraduates and 279 (40%) postgraduates, divided between 174 on research degrees and 105 on taught degrees. Thirty-one graduates on research degrees submitted doctoral theses during the year. Among all students the proportions from the UK, elsewhere in the EU and overseas were respectively 68%, 10% and 22%. Three-quarters of non-Home/EU students were graduates. The majority of students were male (61%) although there was more parity among undergraduates (53% male and 47% female). Just over one fifth of those students for whom ethnic identity was provided were recorded as Black and Minority Ethnic. Eight per cent of Keble students have a registered disability,

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slightly above the average for the University. Among undergraduates, the proportions from maintained (45%) and UK independent schools (42%) are unchanged from the previous two years.

The College's academic performance improved substantially after a relatively disappointing outcome in 2012-13. One hundred and thirty two students sat Finals examinations and exactly one third (44) obtained first class degrees. This is a record number for the College. Equally encouraging, no undergraduate sitting their first public examination did worse than obtain a pass at the equivalent to a 2.2 level or above. Among those taking postgraduate taught masters, 18% received Distinctions. The Senior Tutor, assisted by the Tutorial Board and Academic Committee, continues to monitor academic progress by individual and subjects closely, benchmarking outcomes and resources against other colleges.

As planned, there was a rise in College Outreach activity during the 2013-14 academic year. The Outreach Officer organised visits with 54 different schools, which is 11 more than in 2012-13. The College also launched two new initiatives – the appointment of an individual to cover outbound school visits in the West Midlands region and a pilot scheme through which current Research Fellow and Tutors and DPhil students are sent to work at target schools in Birmingham with small groups of pupils throughout the year of Lower Sixth in order to prepare them to make a competitive application to Russell Group universities. In addition to this, Keble continued to work with the Brilliant Club and the intercollegiate Pathways initiative. Overall, Keble either organised or hosted 69 different Outreach events, compared to 54 events in 2012-13.

The next academic year will see further Outreach developments, including a greater involvement with the Pathways project, for which the Keble Outreach Officer is now a Coordinator (one of four across the University). Also, the project through which current Research Fellow and Tutors and DPhil students are sent to work at target schools in Birmingham is due to expand, reaching further schools in the Birmingham area.

In addition to providing teaching for undergraduates and academic resources for both undergraduates and postgraduates, Keble supports a lively research environment. The academic allowance available to all tutorial and professorial fellows was increased significantly in 2013-14, enabling them to attend conferences and support their research activities. The College also supports eleven fellows and lecturers (including five Career Development Fellows) with research responsibilities. The Advanced Studies Centre (ASC) and its five research clusters continued to be active, running programmes of seminars, lectures and workshops in a diverse, interdisciplinary field. Ten Senior Research Visitors were hosted for periods from one to six weeks; they came from the USA, Australia, Singapore and Western Europe. There were also 11 Research Associates, members of the University working closely with Keble Fellows. A total of £7,400 was awarded through the Small Research Grants scheme to support research activities in archaeology, modern languages, English literature, theology and quantum complex networks. Looking ahead to 2014-15, the College intends to add to its research environment by providing financial support to graduates in two new Centres for Doctoral Training closely associated with ASC research clusters, one in Partial Differential Equations and another in Synthesis for Biology and Medicine.

FINANCIAL REVIEW

Operations, funding and capital expenditure

The charitable activities of the College consist of teaching and research, together with the provision of board and lodging to College members in buildings owned by the College, most of which are Grade 1 or Grade 2* listed. The income generated by these activities amounted to £6.28m, a 5% increase over the previous year. The cost of undertaking these charitable activities amounted to £8.05m. Thus, the operating deficit from these charitable activities was £1.8m. Funding for this operating deficit comes from three sources: donations, trading income and transfers from the College's endowment.

Donations to the College totalled £1.35m, similar to the previous year. The composition of this total was as follows:

	£000s
Income gifts	355
Gifts for capital projects	348
Endowment gifts	642
	<hr/> 1,345

Income from non-charitable conferences and other trading activities amounted to £2.2m against expenditure of £1.1m. Charitable (i.e. educational) conferences contributed a further £548k of revenues.

The College manages its endowment for total return and has adopted a spending rule that allows transfers of 3.15% of the average closing value of the endowments over the previous three years. Transfers under the spending rule amounted to £911k including £34k for external purposes (the support of Keble parishes). Income gifts, conference surpluses and endowment transfers were sufficient to cover the operating deficit on charitable activities and to fund the College's

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fundraising and alumni relations activities. The College has an ambitious development programme, spending on which amounted to £625k.

The phase-in of the new tuition fees regime began in 2012-13, but is being largely offset by a reduction in funding from the Higher Education Funding Council for England. Of the additional income flowing to the collegiate university, more than half is earmarked for additional student support and access initiatives. Of the balance, approximately half will be retained by the central university and half transferred to the colleges. So, whilst the net impact of the new regime is modestly positive in money terms, unless the £9,000 fee cap is adjusted annually for inflation in future years, the gain will quickly be eroded.

Reflecting this challenging funding environment, both academic and non-academic salaries have declined in real terms in the past five years. During that period the College has concentrated on improving, or at least protecting, the inflation adjusted incomes of lower paid members of staff.

The College continued its substantial programme of capital improvements, investing a further £1.7m in a range of projects including phase 4 of the renewal of the Victorian rooms and corridors, the re-modelling of the Porters' Lodge, the first phase of the redevelopment of the Acland site and the installation of new sound systems in the Hall and Chapel.

Reserves policy

The College's policy is to maintain sufficient free reserves to enable it to meet its short-term financial obligations in the event of an unexpected revenue shortfall, to allow the College to be managed efficiently and to provide a buffer that would ensure uninterrupted services. Given the high level of capital expenditure the increase in free reserves during the year was small. The College aims, over the next few years, to rebuild free reserves to a level at least equal to 3 months' expenditure on charitable activities (approx £2m).

Investment policy, objectives and performance

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

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

To meet these objectives the College's investments as a whole are managed on a total return basis, maintaining diversification across a range of asset classes in order to produce an appropriate balance between risk and return. In line with this approach, the College statutes allow the College to invest permanent endowments to maximise the related total return and to make available for expenditure each year an appropriate proportion of the unapplied total return. The investment strategy, policy and performance are monitored by the Finance Committee. At the year end, the College's endowment totalled £32.8m. The aggregate investment return for the year was 6.0%.

All of the College's discretionary funds, apart from its legacy private equity holdings and joint-equity interests in fellows' housing, are managed by OUEM (Oxford University Endowment Management).

The Governing Body keeps the Spending Rule and the level of income withdrawn under review to balance the needs and interests of current and future beneficiaries of the College's activities.

FUTURE PLANS

There are five principal elements of the College's future plans, each of which is considered fully by the relevant committee and the Governing Body of the College. They are as follows:

- to continue to provide the best possible educational experience for undergraduate and graduate members of the College in broadly the same numbers as at present;
- to ensure that the College supports the research activities of its individual Fellows in all appropriate ways and continues to grow its capacity for inter-disciplinary research through the development of its Advanced Studies Centre;
- to maximise the financial resources available to support the College's activities by maintaining effective controls over current expenditure, ensuring independent professional supervision of the College's endowment, engaging widely with Old Members to encourage their support for the College, and by sustaining the income from conferences;
- to sustain in good condition the functionality and appearance of the existing College buildings; and
- to continue raising funds for the development of the Acland site, acquired by the College in 2004, in line with the Vision for the College in 2020.

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Report of the Governing Body

STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES

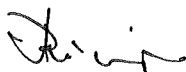
The Governing Body is responsible for preparing the Report of the Governing Body and the financial statements in accordance with applicable law and regulations. Charity law requires the Governing Body to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law. Under charity law the Governing Body must not approve the financial statements unless it is satisfied that they give a true and fair view of the state of affairs of the College and of its net incoming or outgoing resources for that period.

In preparing these financial statements, the Governing Body is required to:

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

The 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. It is also responsible for safeguarding the assets of the College and ensuring their proper application under charity law and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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



Sir Jonathan Phillips
Warden

KEBLE COLLEGE

Report of the Auditor to the Members of the Governing Body of Keble College

We have audited the financial statements of Keble College for the year ended 31 July 2014 which comprise the Statement of Accounting Policies, the Consolidated Statement of Financial Activities, the Consolidated and College Balance Sheets, the Consolidated Cash Flow Statement and the related notes numbered 1 to 27. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of Governing Body and auditor

As explained more fully in the Statement of Accounting and Reporting Responsibilities, the Governing Body is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on 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 Governing Body; and the overall presentation of the financial statements. We read all the information in the Report of the Governing Body 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 2014 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 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 Report of the Governing Body is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept by the parent charity; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Critchleys LLP
Statutory Auditor
Oxford

26th November 2014

KEBLE COLLEGE
Statement of Accounting Policies
Year ended 31 July 2014

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, Conference Keble Limited and Keble Properties Limited. No separate SOFA has been presented for the College alone as permitted by paragraph 397 of the Charities SORP 2005. The results of the subsidiaries as included the consolidated income, expenditure and results of the College are disclosed in note 12.

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, 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 £20,000 together with expenditure on equipment costing more than £20,000 is capitalised and carried in the balance sheet at historical cost. Other expenditure on equipment incurred in the normal day-to-day running of the College and its subsidiaries is charged to the Statement of Financial Activities as incurred.

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	25 years
Building improvements	25 years
Equipment	5 years

Freehold land is not depreciated. The costs of maintenance are charged in the Statement of Financial Activities in the period in which it is incurred.

KEBLE COLLEGE
Statement of Accounting Policies
Year ended 31 July 2014

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. Gains and losses arising on the investments are credited or charged to the Statement of Financial Activities and are allocated to the appropriate Fund according to the "ownership" of the underlying assets.

10. Stocks

Stocks are valued at the lower of cost and net realisable value, cost being the purchase price on a first in, first out basis.

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. 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 (frozen) permanent capital, the Governing Body have taken its open market value as at 31 July 2004, together with the original gift value of all subsequent endowments received.

13. Fund accounting

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

Unrestricted funds can be used in furtherance of the objects of the College at the discretion of the Governing Body. The Governing Body may decide that part of the unrestricted funds shall be used in future for a specific purpose and this will be accounted for by transfers to appropriate designated funds. Restricted funds comprise gifts, legacies and grants where the donors have earmarked funds for specific purposes. They consist of *either* gifts where the donor has specified that both the capital and any income arising must be used for the purposes given *or* the income on gifts where the donor has required that the capital be maintained and the income used for specific purposes. Permanent endowment funds arise where donors specify that the funds should be retained as capital for the permanent benefit of the College. Any income arising from the capital will be accounted for as unrestricted funds unless the donor has placed restricted the use of that income, in which case it will be accounted for as a restricted fund. Expendable endowment funds are similar to permanent endowment in that they have been given, or the College has determined based on the circumstances that they have been given, for the long term benefit of the College. However, the Governing Body may at their discretion determine to spend all or part of the capital.

14. Pension costs

The 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.


Keble College
 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
INCOMING RESOURCES						
Resources from charitable activities	1					
Teaching, research and residential		6,278	0	0	6,278	5,954
Resources from generated funds						
Legacies and donations		403	300	642	1,345	1,328
Trading income	2	2,224	0	0	2,224	1,673
Investment income	3	0	10	935	945	326
Bank and other interest	4	5	0	0	5	5
		<u>2,632</u>	<u>310</u>	<u>1,577</u>	<u>4,519</u>	<u>3,332</u>
Other incoming resources		66	0	0	66	66
Total Incoming Resources		<u>8,976</u>	<u>310</u>	<u>1,577</u>	<u>10,863</u>	<u>9,352</u>
RESOURCES EXPENDED						
Cost of generating funds	5					
Fundraising		625	0	0	625	518
Trading expenditure		1,110	0	0	1,110	922
Investment management costs		0	0	0	0	50
		<u>1,735</u>	<u>0</u>	<u>0</u>	<u>1,735</u>	<u>1,490</u>
Charitable activities	5					
Teaching, research and residential		7,314	735	0	8,049	7,629
Governance costs	8	21	0	0	21	19
Total Resources Expended		<u>9,070</u>	<u>735</u>	<u>0</u>	<u>9,805</u>	<u>9,138</u>
Net incoming/(outgoing) resources before transfers		(94)	(425)	1,577	1,058	214
Transfers between funds	16					
Total return transfer		389	522	(911)	0	0
Fund recategorisation transfer		0	(362)	362	0	0
Other transfers		98	(98)	0	0	0
Net incoming/(outgoing) resources before other gains and losses		<u>393</u>	<u>(363)</u>	<u>1,028</u>	<u>1,058</u>	<u>214</u>
Investment gains/(losses)		7	10	919	936	3,303
Net movement in funds for the year		<u>400</u>	<u>(353)</u>	<u>1,947</u>	<u>1,994</u>	<u>3,517</u>
Fund balances brought forward	16	27,052	353	30,817	58,222	54,705
Funds carried forward at 31 July	16	<u>27,452</u>	<u>0</u>	<u>32,764</u>	<u>60,216</u>	<u>58,222</u>

Keble College
Consolidated and College Balance Sheets
As at 31 July 2014

	Notes	2014 Group £'000	2013 Group £'000	2014 College £'000	2013 College £'000
FIXED ASSETS					
Tangible assets	10	26,976	26,587	26,976	26,587
Securities and other investments	11	32,768	31,167	32,768	31,167
		<u>59,744</u>	<u>57,754</u>	<u>59,744</u>	<u>57,754</u>
CURRENT ASSETS					
Stocks		66	58	66	58
Debtors	14	1,078	835	772	714
Deposits and other short term investments		1,007	0	1,007	0
Cash at bank and in hand		289	1,344	(245)	699
		<u>2,440</u>	<u>2,237</u>	<u>1,600</u>	<u>1,471</u>
CREDITORS: falling due within one year	15	1,968	1,769	1,191	1,063
NET CURRENT ASSETS/(LIABILITIES)		<u>472</u>	<u>468</u>	<u>409</u>	<u>408</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		60,216	58,222	60,153	58,162
CREDITORS: falling due after more than one year		0	0	0	0
Provisions for liabilities and charges		0	0	0	0
NET ASSETS		<u>60,216</u>	<u>58,222</u>	<u>60,153</u>	<u>58,162</u>
FUNDS OF THE COLLEGE					
	16				
Endowment funds		32,764	30,817	32,764	30,817
Restricted funds		0	353	0	353
Unrestricted funds					
Designated funds		26,976	26,587	26,976	26,587
General funds		476	465	413	405
		<u>60,216</u>	<u>58,222</u>	<u>60,153</u>	<u>58,162</u>

The financial statements were approved and authorised for issue by the Governing Body of Keble College on 5 November 2014


Sir Jonathan Phillips
Warden


R J Boden
Bursar

Keble College

Consolidated Cash Flow Statement

For the year ended 31 July 2014

	Notes	2014 Group £'000	2013 Group £'000
Net cash inflow/(outflow) from operations	22	686	413
Returns on investments and servicing of finance			
Income from investments		950	331
Finance costs paid		(6)	(8)
		944	323
Capital expenditure and financial investment			
New endowment capital received		642	743
Payments for tangible fixed assets		(1,655)	(969)
Payments for investments		(1,147)	(20,529)
Proceeds from sales of investments		482	20,287
		(1,678)	(468)
Management of liquid resources			
Net (purchase) / sale of current asset investments		(1,007)	0
		(1,007)	0
Increase/(decrease) in cash in the year		(1,055)	268
Reconciliation of net cash flow to movement in net funds			
Increase/(decrease) in cash in the year		(1,055)	268
Transfers to/(from) term deposits and current investments		1,007	0
Change in net funds		(48)	268
Net funds at 1 August		1,344	1,076
Net funds at 31 July	23	1,296	1,344

1 INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2014 Total £'000	2013 Total £'000
Teaching, research and residential					
Tuition fees - UK and EU students	1,766	0	0	1,766	1,667
Tuition fees - Overseas students	721	0	0	721	686
Other fees	264	0	0	264	248
Other HEFCE support	323	0	0	323	366
Other academic income	145	0	0	145	148
College residential income	3,059	0	0	3,059	2,839
	<u>6,278</u>	<u>0</u>	<u>0</u>	<u>6,278</u>	<u>5,954</u>

The above analysis includes £2,076k received from the University of Oxford under the College Funding Formula, net of College fees received directly (2013: £1,721k).

2 TRADING INCOME

	2014 £'000	2013 £'000
Subsidiary company trading income	2,224	1,673
Other trading income	0	0
	<u>2,224</u>	<u>1,673</u>

3 INVESTMENT INCOME

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2014 Total £'000	2013 Total £'000
Investment income	0	10	935	945	326
	<u>0</u>	<u>10</u>	<u>935</u>	<u>945</u>	<u>326</u>

4 BANK AND OTHER INTEREST INCOME

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2014 Total £'000	2013 Total £'000
Bank interest	5	0	0	5	5
Other interest	0	0	0	0	0
	<u>5</u>	<u>0</u>	<u>0</u>	<u>5</u>	<u>5</u>

5 ANALYSIS OF RESOURCES EXPENDED

	Direct staff costs £'000	Other direct costs £'000	Support costs £'000	2014 Total £'000	2013 Total £'000
Costs of generating funds					
Fundraising	375	205	45	625	518
Trading expenditure	538	521	51	1,110	922
Investment management costs	0	0	0	0	50
Total costs of generating funds	913	726	96	1,735	1,490
Charitable expenditure					
Teaching, research and residential	3,661	2,477	1,911	8,049	7,629
Total charitable expenditure	3,661	2,477	1,911	8,049	7,629
Governance costs	0	21	0	21	19
Total resources expended	4,574	3,224	2,007	9,805	9,138

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, research and residential costs include College Contribution payable of £9k (2013: £5k).

6 SUPPORT COSTS

	Generating Funds £'000	Teaching, Research & Residential £'000	2014 Total £'000	2013 Total £'000
Financial and domestic admin	68	432	500	484
Human resources	4	72	76	51
IT	24	135	159	148
Depreciation	0	1,266	1,266	1,177
Loss/(profit) on fixed assets	0	0	0	0
Bank interest payable	0	6	6	8
Other finance charges	0	0	0	0
	96	1,911	2,007	1,868

Finance and administration and human resources costs are attributed according to the estimated staff time spent on each activity. Depreciation costs are attributed in full to the College's charitable activities, since it is for the support of those activities that the buildings, plant and equipment being depreciated are held. IT costs are attributed according to headcount. 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	2014 Total £'000	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	115	163	278	267
Bursaries and hardship awards	81	44	125	134
Grants to other institutions	0	34	34	47
	<u>196</u>	<u>241</u>	<u>437</u>	<u>448</u>

The above costs are included within the charitable expenditure on Teaching, research and residential.

8 GOVERNANCE COSTS

	2014 £'000	2013 £'000
Governance costs comprise:		
Auditor's remuneration - audit services	20	19
Auditor's remuneration - other services	0	0
Legal and other fees on constitutional matters	1	0
Other governance costs	0	0
	<u>21</u>	<u>19</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

	2014 £'000	2013 £'000
The aggregate payroll costs for the year were as follows.		
Salaries and wages	4,249	3,882
Social security costs	264	247
Pension costs	542	466
	<u>5,055</u>	<u>4,595</u>

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

	2014	2013
Tuition and research	10	10
College residential	62	61
Fundraising	6	5
Support	16	16
Total	<u>94</u>	<u>92</u>

9 STAFF COSTS (continued)

The average number of employed College Trustees during the year was as follows.	2014	2013
University Lecturers	21	21
CUF Lecturers	7	6
Other teaching and research	5	0
Other	7	11
Total	40	38

One employee (excluding the College Trustees) during the year received gross pay and benefits (excluding employer NI and pension contributions) in excess of £60,000. Details of the remuneration and reimbursed expenses of the College Trustees is included as a separate note in these financial statements.

10 TANGIBLE FIXED ASSETS

Group and College	Freehold land and buildings £'000	Plant and Machinery £'000	Total £'000
Cost			
At start of year	34,459	2,661	37,120
Additions	1,521	134	1,655
Disposals	0	0	0
At end of year	35,980	2,795	38,775
Depreciation			
At start of year	9,335	1,198	10,533
Charge for the year	1,025	241	1,266
On disposals	0	0	0
At end of year	10,360	1,439	11,799
Net book value			
At end of year	25,620	1,356	26,976
At start of year	25,124	1,463	26,587

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.

11 SECURITIES AND OTHER INVESTMENTS

	2014 £'000	2013 £'000
Group investments		
Valuation at start of year	31,167	27,622
New money invested	642	833
Amounts withdrawn	(915)	(867)
Reinvested income	945	326
Investment management fees	0	(50)
(Decrease)/increase in value of investments	929	3,303
Group investments at end of year	32,768	31,167
Investment in subsidiaries	0	0
College investments at end of year	32,768	31,167

Group investments comprise:	Held outside the UK £'000	Held in the UK £'000	2014 Total £'000	2013 Total £'000
Equity investments	0	1	1	1
Global multi-asset funds	824	27,338	28,162	24,744
Property funds	0	1,923	1,923	2,545
Fixed interest stocks	0	0	0	0
Alternative and other investments	1,695	267	1,962	1,662
Fixed term deposits and cash	0	720	720	2,215
Total group investments	2,519	30,249	32,768	31,167

12 SUBSIDIARY UNDERTAKINGS

The College holds 100% of the issued share capital in Conference Keble Limited, a company providing conference and other event services on the College premises, and 100% of the issued share capital in Keble Properties 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:

	Conference Keble £'000	Keble Properties £'000
Turnover	2,268	293
Expenditure	(1,094)	(289)
Donation to College under gift aid	(1,175)	0
Interest receivable	1	0
Result for the year	0	4
Total assets	911	238
Total liabilities	(839)	(246)
Net funds at the end of year	72	(8)

13 STATEMENT OF INVESTMENT TOTAL RETURN

The Trustees have adopted a duly authorised policy of total return accounting for the College investment returns. The investment return to be applied as income is calculated as 3.15% of the average value of the investment assets for the previous three financial year-ends. The preserved (frozen) value of the invested permanent endowment capital represents its open market value on 31 July 2004 together with all subsequent endowments valued at date of gift.

	Permanent Endowment £'000	Expendable Endowment £'000	Total £'000
Investment total return			
Income distributions	766	169	935
Capital gains/losses	751	168	919
Investment management costs	0	0	0
Total return for the year	1,517	337	1,854
Amount applied as income for spending	(731)	(180)	(911)
Net decrease in Unapplied Total Return in the year	786		
Unapplied Total Return at start of year	5,960		
Unapplied Total Return at end of year	6,746		
Preserved value of original permanent endowments	18,753		

14 DEBTORS

	2014 Group £'000	2013 Group £'000	2014 College £'000	2013 College £'000
Amounts falling due within one year:				
Trade debtors	626	475	112	114
Amounts owed by College members	83	77	83	77
Amounts owed by Group undertakings	0	0	308	287
Loans repayable within one year	6	8	6	8
Prepayments and accrued income	340	253	240	207
Other debtors	23	22	23	21
Amounts falling due after more than one year:				
Loans	0	0	0	0
	1,078	835	772	714

15 CREDITORS: falling due within one year

	2014 Group £'000	2013 Group £'000	2014 College £'000	2013 College £'000
Trade creditors	1,255	1,149	596	550
Amounts owed to Group undertakings	0	0	0	0
Taxation and social security	202	167	202	167
College contribution	0	0	0	0
Accruals and deferred income	305	245	187	138
Other creditors	206	208	206	208
	1,968	1,769	1,191	1,063

16 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
Endowment Funds - Permanent						
General purposes	11,656	354	0	(342)	347	12,015
External purposes	1,306	40	0	(34)	39	1,351
Bursaries	572	56	0	(17)	17	628
Scholarships	3,403	114	0	(95)	101	3,523
Fellowships	8,292	509	0	(243)	247	8,805
Endowment Funds - Expendable						
General purposes	2,198	220	0	315	67	2,800
Bursaries	696	87	0	(20)	21	784
Scholarships	418	16	0	(12)	12	434
Fellowships	2,088	160	0	(95)	62	2,215
Other specified purposes	188	21	0	(6)	6	209
Total Endowment Funds	30,817	1,577	0	(549)	919	32,764
Restricted Funds						
Fixed asset projects funding	0	98	0	(98)	0	0
Development office funding	0	0	0	0	0	0
Other restricted income funding	353	212	(213)	(362)	10	0
Applied total return from restricted purpose endowment funds	0	0	(522)	522	0	0
Total Restricted Funds	353	310	(735)	62	10	0
Unrestricted Funds						
General	465	8,726	(9,070)	348	7	476
Fixed asset designated fund	26,587	250	0	139	0	26,976
Total Unrestricted Funds	27,052	8,976	(9,070)	487	7	27,452
Total Funds	58,222	10,863	(9,805)	0	936	60,216

17 FUNDS OF THE COLLEGE DETAILS

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

Endowment Funds - Permanent:

General purposes	A consolidation of gifts and donations where income, but not capital, can be used for the general purposes of the charity.
External purposes	Capital balance of past donations where related income, but not the original capital, can be used for specified objects external to the charity
Bursaries	Capital balance of past donations where related income, but not the original capital, can be used for bursaries to support students of the College
Scholarships	Capital balance of past donations where related income, but not the original capital, can be used for scholarships awarded to students of the College
Fellowships	Capital balance of past donations where related income, but not the original capital, can be used for the funding of College fellowships

Endowment Funds - Expendable:

General purposes	A consolidation of gifts and donations where either income, or income and capital, can be used for the general purposes of the charity.
Bursaries	Capital balance of past donations where related income, or income and capital, can be used for bursaries to support students of the College
Scholarships	Capital balance of past donations where related income, or income and capital, can be used for scholarships awarded to students of the College
Fellowships	Capital balance of past donations where related income, or income and capital, can be used for the funding of College fellowships
Other specified purposes	Capital balance of past donations where related income, or income and capital, can be used for the funding of other specified College activities

Restricted Funds:

Fixed asset projects funding	Gifts and donations that must be applied to specific fixed asset projects. The transfer from these funds represents the capital expenditure in the year that relates to these funds.
Development office funding	Gifts and donations that must be applied in support of the Development office expenditure relating to the Vision 2020 campaign
Other restricted income funding	Gifts and donations that must be applied in support of other specified College activities. Included within transfers is £362,000 which was allocated to these funds upon first time adoption of the charities SORP however it has subsequently transpired that a more appropriate fund classification is within expendable endowment - General purposes.
Applied total return from restricted purpose endowment funds	Applied total return generated from restricted purpose permanent and expendable endowment funds and which must be applied for the specified restricted purpose

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

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total £'000
Tangible fixed assets	26,976	0	0	26,976
Securities and other investments	0	0	32,768	32,768
Net current assets/(liabilities)	476	0	(4)	472
	<u>27,452</u>	<u>0</u>	<u>32,764</u>	<u>60,216</u>

19 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. 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. Where possible, these salaries are paid on external scales and often are joint arrangements with the University of Oxford.

The pay and benefits of employees of the College who also serve as trustees is reviewed at least annually by the Remuneration Committee. This is an independent committee comprised of members who are neither employees nor trustees of the college. The Committee considers any recommendations on pay and benefits put forward by Governing Body which it may either approve or refer back to Governing Body with a recommendation to reduce the proposed pay and benefits. It is expected that the Governing Body will normally be minded to accept the recommendation of the Committee. It is further expected that, if it is not so minded, the Governing Body and the Committee will make good faith efforts to reach a position that is mutually acceptable. In the event of a reference back by the committee, the Governing Body shall give serious consideration to its concerns. The Governing Body may agree to present a new or revised remuneration proposal to the Committee for further consideration, or may implement the original proposal. In either case, the Governing Body shall explain its decision to the committee in writing. The committee may offer advice on its own motion on issues regarding remuneration on which it considers the College should bring forward proposals. It is expected that the Governing Body will consider any such comments and advice and respond to the committee concerning the issues raised.

Trustees of the College fall into the following categories:

- Fellow and Tutor
- Fellow by Special Election
- Professorial Fellow
- Senior Research Fellow
- Chaplain

There are also four trustees - the Warden, the Bursar, the Senior Tutor and the Director of Development - who work full time on management and fundraising.

Trustees who are also employees of the College are normally eligible for assistance with housing. The Warden and the Chaplain are required to live in College accommodation. Another five trustees, all of whom are employees, live in accommodation owned by the College and in consequence do not receive a housing allowance. Trustees who are also employees but who do not live in College accommodation typically receive a housing allowance which is disclosed within the salary figures below. Ten trustees live in properties owned jointly with the College under its joint-equity scheme, whereby the College co-invests up to £200,000 per property and shares pro rata in the ultimate sale proceeds. One new purchase under the scheme was completed during the year and two properties were sold. The total value of the College's joint-equity investments was £1,850k (2013: £1,699k). These property holdings form part of group investments as recorded in "Securities and other investments" note above.

Some trustees receive stipends for additional work carried out as part-time college officers, such as senior dean, deputy senior tutor, deputy bursar etc. These amounts are included within the remuneration figures below.

The total remuneration and taxable benefits as shown below is £1,257k (2013: £1,192k). The total of pension contributions is £145k (2013: £149k).

19 TRUSTEES' REMUNERATION (continued)

Remuneration paid to trustees

Range	2014		2013	
	Number of trustees	Gross remuneration, taxable benefits and pension contributions £	Number of trustees	Gross remuneration, taxable benefits and pension contributions £
£1 - £999	1	822	3	2,274
£1,000 - £1,999	1	1,233	2	3,240
£3,000 - £3,999	1	3,480	1	3,480
£7,000 - £7,999	2	14,715	0	0
£10,000 - £10,999	1	10,991	1	10,882
£11,000 - £11,999	1	11,600	2	22,687
£13,000 - £13,999	0	0	1	13,155
£15,000 - £15,999	2	30,988	0	0
£16,000 - £16,999	1	16,371	0	0
£18,000 - £18,999	0	0	1	18,648
£19,000 - £19,999	1	19,334	2	38,137
£20,000 - £20,999	0	0	4	83,529
£21,000 - £21,999	14	301,644	7	150,458
£22,000 - £22,999	1	22,658	1	22,342
£23,000 - £23,999	0	0	1	23,155
£24,000 - £24,999	0	0	1	24,451
£25,000 - £25,999	1	25,646	1	25,300
£29,000 - £29,999	1	29,860	0	0
£30,000 - £30,999	0	0	1	30,265
£31,000 - £31,999	0	0	1	31,998
£35,000 - £35,999	1	35,844	0	0
£38,000 - £38,999	1	38,942	0	0
£40,000 - £40,999	1	40,511	0	0
£42,000 - £42,999	1	42,625	2	85,037
£44,000 - £44,999	1	44,268	0	0
£45,000 - £45,999	0	0	1	45,598
£51,000 - £51,999	2	103,806	2	102,597
£52,000 - £52,999	2	105,450	2	104,225
£78,000 - £78,999	1	78,982	1	78,108
£82,000 - £82,999	0	0	1	82,947
£83,000 - £83,999	1	83,868	0	0
£92,000 - £92,999	0	0	1	92,897
£94,000 - £94,999	1	94,840	0	0
£96,000 - £96,999	0	0	1	96,341
£98,000 - £98,999	1	98,259	0	0

Nine trustees are not employees of the College and do not receive remuneration. All trustees may eat at common table on the same basis as all other employees who are entitled to meals while working.

Trustee expenses

No fellow claimed any expenses for work as a trustee.

20 PENSION SCHEMES (continued)

Notes:

- a. USS' actuarial valuation as at 31st March 2011 identified a funding deficit of £2,910m. The USS Joint Negotiating Committee has proposed, and USS has implemented with effect from 1st October 2011, a package of changes, including the admission of new members into a Career Revalued Benefits section. 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. 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 at last valuation, rated down by a further year)	increase by £0.8bn	increase by £20m

20 PENSION SCHEMES (continued)

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	£'000	
	2014	2013
Universities Superannuation Scheme	323	274
University of Oxford Staff Pension Scheme	207	188
Other Schemes - contributions	9	5
Supplementation payments ^g	3	3
Total:	542	470

Notes

- g. The College continues to make a small number of supplementation payments to retired employees.

21 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 each company under the Gift Aid scheme. Accordingly no provision for taxation has been included in the financial statements.

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

	2014 £'000	2013 £'000
Net incoming resources for the year	1,058	214
Elimination of non-operating cash flows:		
- Investment income	(950)	(331)
- Endowment donations	(642)	(743)
- Financing costs	6	8
Depreciation	1,266	1,177
Decrease/(Increase) in stock	(8)	(4)
Decrease/(Increase) in debtors	(243)	116
(Decrease)/Increase in creditors	199	(24)
Net cash inflow/(outflow) from operations	686	413

23 ANALYSIS OF CHANGES IN NET FUNDS

	2013 £'000	Cash flow £'000	2014 £'000
Cash at bank and in hand	1,344	(1,055)	289
	<u>1,344</u>	<u>(1,055)</u>	<u>289</u>
Deposits and other short term investments	0	1,007	1,007
	<u>1,344</u>	<u>(48)</u>	<u>1,296</u>

24 CAPITAL COMMITMENTS

The College had contracted commitments at 31 July for future capital projects totalling £0k (2013: £0k).

25 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 College has properties with the following net book values owned jointly with trustees under joint equity ownership agreements between the trustee and the College.

Trustee	2014 £'000	2013 £'000
Dr L Bendall	225	213
Dr M Bevis	207	202
Dr S Butt	223	213
Prof S Faulkner	216	211
Dr U Gruneberg	154	0
Dr D Jaksch	185	177
Dr D McDermott	220	212
Prof G Reinert	63	60
Dr B Smith	212	202
Ms J S Tudge	218	209
	<u>1,923</u>	<u>1,699</u>

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

26 CONTINGENT LIABILITIES

There are no contingent liabilities that require disclosure.

27 POST BALANCE SHEET EVENTS

There are no post balance sheet events that require disclosure.