

Oriel College

Annual Report and Financial Statements

Year ended 31 July 2014

Registered charity number: 1141976

ORIEL COLLEGE
Annual Report and Financial Statements
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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.

CORPORATE STATUS

Oriel College in the University of Oxford (“the College”), is an eleemosynary chartered charitable corporation aggregate. Having been first established as Tackley’s Inn in 1324; it was founded by Edward the Second by a Royal Charter, dated 1326, issued to Adam de Brome. Its full corporate designation and title to its property and other assets were confirmed by Letters Patent granted by James the First in 1603. The College consists of the Provost and Fellows (‘Scholars’) and is governed by its statutes dated 21 January 1326 as amended up to 10 July 2008.

The College registered with the Charity Commission on 31 March 2011 (registered number 1141976).

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, Her Majesty the Queen. It determines the ongoing strategic direction of the College and regulates its administration and the management of its finances and assets. It meets regularly under the chairmanship of the Provost.

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 during the year or subsequently are detailed below. The committees on which members currently serve are shown in columns 1 to 6 as follows:

- 1 Finance and Estates Committee
- 2 Education Committee
- 3 Audit Committee
- 4 Investment Committee
- 5 Development Committee
- 6 Remuneration Committee
- 7 General Purposes Committee

Further details given on pages 4 and 5.

		1	2	3	4	5	6	7
Ms Moira Wallace, OBE, Provost	Provost	F	E	A	I	D	R	G
Professor Andrew Boothroyd	Vice Provost	F	E					G
Dr Mark Philp	Resigned 30 September 2013							
Professor David Charles	Retired 30 September 2014							
Professor John Barton	Retired 30 September 2014							
Dr Michael Spivey			E					
Professor Annette Volfing	Tutor for Graduates		E					G
Professor David Hodgson			E				R	
Dr Lynne Cox			E					
Dr Douglas Hamilton								
Professor Pedro Ferreira		F	E					
Professor Teresa Morgan						D		
Professor Brian Leftow							R	
Dr Oliver Pooley		F						
Dr Bruno Currie								
Dr John Huber		F	E					
Dr Richard Scholar	Senior Tutor		E					G
Mr Wilf Stephenson	Treasurer	F	E	A	I	D	R	G
Dr Yadvinder Malhi							R	

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		1	2	3	4	5	6	7
Dr Kristine Krug		F						
Dr Ian Forrest								
Dr Christopher Bowdler	Tutor for Admissions	F	E		I			
Ms Juliane Kerkhecker	Senior Dean		E					G
Professor Michael Devereux							R	
Dr Christopher Conlon					I			
Ms Lucinda Ferguson								
Professor Philip Stier								
Dr Julia Mannherz								
Professor John Armour				A				
Professor Gonzalo Rodriguez Pereyra								
Professor Ian Horrocks								
Professor Lars Fugger								
Dr Nicholas Eyre								
Ms Sandra Robertson								
Dr Kevin Maloy								
Dr William Wood								G
Dr Max Crispin						D		
Dr Yakov Kremnitzer								
Dr Colin MacDonald								
Dr Mungo Wilson						D		
Dr Kathryn Murphy			E					G
Professor James Sparks								
Mr Sean Power		F				D		G
Professor Lyndal Roper								
Dr Paul Yowell								
Dr Travis Bayer	Resigned 31 July 2014							
Dr Justin Coon								
Dr Francesco Manzini	Appointed 1 September 2014							

Recruitment and Training of Members of the Governing Body

Members of the Governing Body are elected on the recommendation of appointment committees, which normally include external members. Most are selected for their outstanding academic achievements and teaching abilities. Others are selected for specific management roles. Extensive references are taken prior to appointment.

All new fellows receive a comprehensive briefing on the governance of the College and their duties as trustees and further training has been arranged to ensure that all fellows are fully aware of their responsibilities in the light of registration with the Charity Commission.

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Report of the Governing Body

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 five principal standing or governance committees (and a number of other committees covering specific areas of the College's activities).

The principal management committees are the Finance and Estates Committee and the General Purposes Committee. Both are chaired by the Provost.

The principal governance committees are the Audit Committee, the Remuneration Committee and the Investment Advisory Committee. The Development Committee covers the responsibilities previously held by the Trustees of the Oriel College Development Trust, which was merged with the College in 2011. All have an external chairman and a majority of external members or, in the case of the Remuneration Committee, a majority of members not remunerated by the College.

The current members of committees from the Governing Body are shown above. Other members are shown under the respective committee below.

1 (F) Finance and Estates Committee

The Finance and Estates Committee is the standing committee of the Governing Body with responsibility for considering, acting and reporting on any matter pertaining to the financial affairs and estates of the College.

Its external members are:

Mr. John Shannon (Former Treasurer, Oriel College Development Trust)

2 (E) Education Committee

The Education Committee is a standing committee which considers academic vacancies or impending vacancies and all matters of education policy and strategy which may be referred to it by the Governing Body or any Trustee.

3 (A) Audit Committee

The Audit Committee exists to review, on behalf of the College, the effectiveness of the external audit, the financial statements, internal controls and overall financial governance. The Chairman has access to the Provost at all times and may address the Governing Body on any matters of concern as the Committee requires. The Committee reports annually to the Governing Body on the financial statements and its work during the year.

Its external members are:

Mr. Strone Macpherson (Chairman, Close Brothers plc.), Chairman
Mr. John Shannon (former Treasurer, Oriel College Development Trust)
Mr. Tim Budden (Finance Director, Grosvenor Indirect Investments; Grosvenor Group)
Mr. Ian Thompson (Bursar, Wadham College)

4 (I) Investment Advisory Committee

The Investment Advisory Committee consists of fellows and members of the College with relevant expertise. The Committee meets at least twice a year to review investment performance and advise on investment strategy and reports annually to the Governing Body. It is also consulted by the Treasurer on matters that arise during the year.

Its external members are:

Mr. John Cook, Chairman
Mr. Sebastian Grigg (Vice-chairman EMEA Investment Banking Division Credit Suisse).
Mr. Colm Kelleher (President of Institutional Securities and CEO of Morgan Stanley International).
Mr. Rupert Nabarro (former Chairman, IPD)
Mr. John Shannon (former Treasurer, Oriel College Development Trust)

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Mr. Charles Skinner (Chief Executive, Restore plc.)

Mr. Mark Tyndall (Chief Executive, Artemis Investment Management LLP)

In addition to the Investment Advisory Committee, a Property Panel (P) provides expert advice on strategy and management of the College's property portfolio.

Its external members are:

Mr. Robin Goodchild, (International Director and Head of European Strategy, La Salle Investment Management)

Mr. Jonathan Lane, (Chairman, Shaftsbury plc.)

5 (D) Development Committee

The Development Committee consists of fellows and members of the College. The Committee meets at least once a term to review progress with development objectives and the performance of the Development Office. It also gives advice and support to the Development Director and his team.

Its external members are:

Mr. Geoffrey Austin (Chairman)

Professor Philip Burrows

Dr. Clive Cheesman

Mr. Peter Doherty

The Reverend William Eakins

Mr. Michael Johnson

Dr. Caroline Knight (appointed May 2014)

Mr. John Shannon

Mr. James Thomson

Miss Claire Toogood

6 (R) Remuneration Committee

The Remuneration Committee consists of an external chairman, one other external member, two professorial fellows and one other fellow. The Committee meets twice a year to review matters of remuneration policy and any significant remuneration issues raised by members or by the Governing Body.

During the year its external members were:

Professor Donald Hay (former Head of the Division of Social Sciences and Emeritus Fellow, Jesus College), Chairman (resigned July 2014)

Mr. John Church (Bursar, Pembroke College)

7 (G) General Purposes Committee

The General Purposes Committee is the standing committee of Governing Body with responsibility for reviewing and making recommendations on all business of the College not specifically the responsibility of other standing or ad hoc committees.

GROUP STRUCTURE AND RELATIONSHIPS

The College administers a number of charitable trusts, as detailed in Note 19 of the financial statements.

The College currently has three wholly owned non-charitable subsidiaries: Land, Estates and Property Limited, Tean Limited and Oriel College Conferences Limited, whose annual profits are donated to the College under the Gift Aid Scheme.

The objective of the College's subsidiaries is to help finance the achievement of the College's aims and objectives set out above.

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The subsidiaries activities are as follows:

Oriel College Conferences Limited:	Runs the commercial conference activity of the College
Land, Estates and Property Limited:	Owns a number of investment properties in South London and provides design and construction services
Tean Limited	Owns an investment property in Cheltenham, Gloucestershire.

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 major risks to which the College is exposed, as identified by the Governing Body, have been reviewed and systems established to mitigate them. A risk register is maintained and reviewed termly by the Finance & Estates Committee and annually by the Audit Committee who report to Governing Body on the adequacy of measures taken and any areas of concern.

During 2013/14 a thorough review of the existing risk register was undertaken, this resulted in a new gross and net risk approach and the rationalisation of a number of the risk areas. Detailed discussions were held with staff across the organisation and the revised register agreed by Audit Committee in March 2014. Those risks that have been identified with a need to reduce the net risk are being actively worked on by college officers and senior managers. Progress is then reported to Finance and Estates Committee with individual presentations by relevant staff members encouraged so that issues can be discussed and, where required, solutions implemented.

The Governing Body, who have ultimate responsibility for managing any risks faced by the College, have given consideration to the major risks to which the College and its subsidiaries are exposed and have 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.

OFFICERS AND SENIOR STAFF

The officers and senior staff of the College to whom day to day management is delegated are as follows:

Moira Wallace OBE – Provost
Professor Andrew Boothroyd – Vice Provost
Mr Wilf Stephenson – Treasurer
Ms Juliane Kerkhecker – Senior Dean
Dr Glenn Black – Senior Tutor (resigned September 2014)
Dr Richard Scholar – Senior Tutor (Appointed October 2014)
Mr Sean Power – Development Director
Mr Kevin Melbourne – Domestic Bursar
Mrs Rachel Breward – Academic Administrator
Mr Oliver Sladen – Financial Controller

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PRINCIPAL ADVISERS AND BANKERS

Auditors

Grant Thornton UK LLP
3140 Rowan Place, John Smith Drive
Oxford Business Park South
Oxford OX4 2WB

Bankers

Childs and Co
49 Charing Cross, Admiralty Arch
London SW1A 2DX

Investment Managers

Sarasin & Partners LLP, Juxon House
100 St Pauls Churchyard
London EC4M 8BU

Baillie Gifford & Co Limited
Calton Square, 1 Greenside Row
Edinburgh EH1 3AN

Investment Property Managers (South London)

Bells Commercial Ltd
Golding House, 130-138 Plough Road
Clapham Junction
London SW11 2AA

Investment Property Advisors

Marriotts (Oxford)
29 Beaumont Street
Oxford OX1 2NP

Alder King
Brunswick House
Gloucester Business Park
Gloucester GL3 4AA

Savills
Wytham Court
11 West Way
Oxford OX2 0QL

Legal Advisers

Darbys
New Inn Hall Street
Oxford OX1 2DN

Blake Morgan (Employment Law)
Seacourt Tower
Westway
Oxford OX2 0FB

Address

Oriel College
Oriel Square
Oxford OX1 4EW

Website

www.oriel.ox.ac.uk

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OBJECTIVES AND ACTIVITIES

Charitable Objects and Aims

Today the College exists to promote undergraduate education within the University of Oxford and also to promote research and advanced study. The College also provides accommodation, advice and resources to graduate students of the University. The principle objects agreed by the Governing Body are:

- Providing a University education in a college conducted in accordance with the traditions of its foundation
- The advancement of education and learning and the promotion of research
- The advancement of public education, heritage and culture, in particular by the maintenance of articles of historic or aesthetic interest, and the conservation of the College and its grounds
- Other charitable purposes for the benefit of the public

These will be incorporated in the Statutes in due course. The College's objects as approved by the Charity Commission are those in the Founding Charter of 1326 and summarized as:

'A college of scholars studying sacred theology, civil and canon law and useful knowledge'

The College has various permanently endowed trust funds held for special purposes in connection with the maintenance and development of College facilities and for scholarships, bursaries, prizes and other educational purposes.

Public Benefit

The College provides public benefit in accordance with its founding principles and in 2013/14 spent over £7m providing teaching and research.

The Charities Act 2011 states that there must be an identifiable benefit or benefits arising from the work of all charities and such benefits must be to the public or a section of the public. The Governing Body confirms that it has taken note of the Charity Commission's guidance on public benefit and the advancement of education when reviewing the College's aims and objectives and in planning future activities.

The students and academic staff of the College are the primary beneficiaries being directly engaged in education and research. The College provides higher education to graduates and undergraduate students in conjunction with Departments and Faculties of the University of Oxford. The Tutorial system underpins the teaching at Oriel. Tutorials are held at least once a week with groups of two to three students discussing a topic in depth with a Fellow of the College or a college lecturer. As well as the members of the College (students and academics) there are many other beneficiaries of the Oriel's educational resources. These include Visiting students, visiting academics and researchers from worldwide educational institutions and members of the public.

ACHIEVEMENTS AND PERFORMANCE

Highlights of the Year

Academic Performance

28% of students achieved firsts during final examinations. Outstanding results were achieved in Classics (75% firsts), Modern Languages and Classics and English. In the First Public Examinations undertaken 20.2% achieved firsts.

Strong performances were achieved in Chemistry and Classical Archaeology and Ancient History

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Outreach

The College's outreach programme supports potential applicants from schools and areas that are currently under-represented at the University. Oriel organised over one hundred outreach events throughout the past academic year, including a Year 12 Residential, Exploring Oxford Days, Teachers' Conference, school visits, applying to Oxford workshops and school-organised parent evenings. A similar programme of events will take place over the 2014-15 academic year.

The College is proud to support the Pathways programme, a collaborative project run across almost all colleges with support from the Sutton Trust. The College's Outreach Officer organises the Year 10 events and is one of the Pathways coordinators.

Extra Curricular Activities

The College is pleased to support its students in cultural and sporting activities which form an essential part of the educational experience for students in Oxford. A number of Blues awards were obtained during the year, the college's first eight regained their Head of the River status in the Summer Eights with the second eight also regaining its position as the highest boat on the river in that class. Students of the College continue to shine in dramatic and theatrical productions as part of the Oxford University Dramatic Society (OUDS) with the President of the Society a third year Oriel English undergraduate. The Music society continued to thrive holding concerts during the year in the Senior Library and the Holywell Music Rooms. The John Collins Society, endowed by an Oriensis in memory of Canon John Collins chaplain of the college before and after the Second World War, held its inaugural meeting with a lecture by the Reverend Dr Sam Wells, Vicar of St Martin in the Fields and Visiting Professor at King's College, London

Major Restoration Projects

The Rhodes Building project was nearing completion in October 2014 with undergraduates moving into the refurbished building. The project includes a new teaching and conference centre, the creation of 12 new student rooms in an additional floor, ensuite facilities for most student rooms, provision of a lift and rooms equipped for disabled use and new energy efficient services. The work will be completed with the addition of railings to replace those removed during the Second World War and external lighting on the High Street façade. Both items contributing to the public realm.

Work commenced in the summer of 2014 to refurbish the interior of the Chapel. This follows the replacement of the roof of the chapel in the Autumn of 2013.

In addition our programme of 'soft' refurbishments of student staircases continued. This entails redecoration of the student accommodation along with new furnishings.

Our architectural competition for a project to improve our catering and hospitality facilities around the Hall was suspended to allow time for a review of our facilities master plan. We expect to appoint architects in late 2014 and to have firm proposals ready for submission to the planning authorities by Michaelmas Term 2015.

Strategic Objectives and Development

The College's strategic aim is to maintain and enhance its standing within the University of Oxford as a world-class college in a world-class university. By 2026, the 700th anniversary of the foundation, the twofold aim is firstly to have secured the financial resources and significantly improved the facilities to support teaching, scholarships and research and secondly to maintain and develop the historic buildings to provide appropriate residential accommodation, teaching, research and social facilities for the twenty first century.

Starting in January 2014 the Provost, Moira Wallace OBE, has commenced a further strategic review. The aims of this are to review and agree the future strategy, setting out the medium-term goals and priorities, and how the College will respond to changing events and opportunities.

Ultimately the agreed strategy will:

- underpin budget, staffing and investment decisions;

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- guide any decisions about future size and shape;
- refresh the College's academic strategy;
- inform external communications and outreach work;
- supporting the engagement of potential donors;
- prioritise future building projects into a coherent plan;

And assist:

- identifying and managing risks to the College;
- our response to external events

This year has been another very successful year for Oriel in terms of fundraising. Over £3.7 million has been raised in non-legacy new gifts and pledges over the course of the year. Since Phase Two of the 2026 Campaign was launched in August 2012 almost £16 million has been raised in new gifts, pledges and legacy income, towards a target of £25 million by 31st July 2017.

Major Donations

Major donations have proved essential to the success of our fundraising efforts this year. A total of 23 organisations or individuals have made gifts of £10,000 or more between 1st August 2013 and 31st July 2014, compared to 24 last year. This included a single gift of £1 million to support a Junior Research Fellowship in History, and a pledge of £1.2 million (to be split with the University) to endow a fellowship in Ancient Greek Philosophy. A further pledge of £500,000 was made to the benefit of the College. Those who donate £10,000 or more to the College over their lifetime are admitted to the membership of the Raleigh Society. This level has been raised to £20,000 as of 1st September 2014. There are currently 160 members of the Raleigh Society.

Gifts made in Wills

Legacies continue to provide an important source of funds for Oriel. All those who formally pledge a legacy to the College are invited to join the Adam de Brome Society. There were 18 new legacy pledges made this year, bringing the total of known pledges to 273. This year c£600,000 has been received by the College in legacy gifts.

Encouraging wider support

In March this year we ran our ninth telephone campaign, calling c500 former students of the College which raised over £270,000 over five years. This year 17% of Orielenses made a donation to the College.

Last year the 1326 Society was established to encourage regular giving to the College, Full Members give £1,326 a year, Young Members give £132.60 a year. Since its launch in October 2012, 176 people have joined (53 of which are Young Members).

The results reflect both the fund raising strategy implemented by the Director of Development, Mr Sean Power, and the long term investment in the legacy programme and donor engagement. The Campaign Board met three times during the year and gives overall support and strategic direction. The Development Committee of fellows and alumni continues to oversee the fundraising effort on behalf of the Governing Body and provides advice and other direct assistance to the Development Director and his team.

Specific aims are the further development of the College site and facilities; increased funding to enable Oriel to continue to attract the best fellows and lecturers; further endowment of bursaries; and other support for undergraduate and graduate students so they can be admitted purely on merit irrespective of their own financial resources.

Review against the Principal Objects

1. 305 undergraduate (2013; 304) and 176 graduate (2013; 157) students were in residence during the year. In addition the College accommodated 5 visiting students (2013: 3). Graduates represent a significant part of the College's contribution to the educational activities of the collegiate university and to the intellectual and social life of the College. We continue to improve facilities made available for graduate students.

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The College continued its support of an undergraduate from the developing world by participating in the Reach Oxford scheme under which it pays college and university fees. Junior members contribute to a fund to cover living costs so the student is fully funded for his or her course in Oxford. Generous prizes (funded by the Oriel Society) were awarded for the best performances by undergraduates in First Public Examinations in addition to the College prizes awarded for first class results in all public examinations.

Bursaries totalling £41,000 were awarded to students in addition to the College's participation in the Oxford Opportunity Bursary Scheme. Additional grants were made to students with exceptional needs and also to enable students to avoid taking paid work during vacations to concentrate on their studies.

The grants given by the College to students to enable travel abroad were increased by a further £10,000 in 2013/14 (an increase of 50%). These bursaries were awarded to students to assist with the costs of travel related to the pursuit of their academic objectives. Around 65 students benefited from applying and then receiving grants in the year (the average amount awarded was £450).

2. The College is open to guided tours and individual visitors at specified times. A number of film crews were hosted during the year. Most were making documentary programmes featuring research of fellows. The College has been pleased to continue its association with St Clements School in which it provides facilities for the operation of a Forest School at Bartlemas.

The choir continued to flourish under the direction of Dr David Maw, Tutor in Music and this year toured Northern Ireland.

The College was pleased to participate in the Oxford Open Doors weekend in October 2014 and received over 1,500 visitors on the Sunday of the event with visitors viewing the normally closed areas of the Champneys Room and the Box room.

FINANCIAL REVIEW

Total income for the year was £13,435k (2013: £21,019k) and total expenditure £9,233k (2013: £9,183k) giving an operating surplus of £4,202 (2013: £11,835k). After a gain on investments of £2,806k (2013: £5,206k) the net movement in funds is £7,008k (2013: £17,041k).

2013 was an exceptional year in terms of legacy donations. The turnover in 2014 reflects the return to a more usual pattern with donations and legacy income at £3,382k (2013: £12,162k). The expenditure of £9,233k does not reflect the £3,315k expended on the Rhodes Building refurbishment. This amount has been capitalised as an asset under construction (within note 10 of the accounts) with the project due for completion in the Autumn of 2014.

Investment income of £4,818k (2013: £3,550k) on a gross asset base of £78,306k (2013: £73,616k) gave a gross yield of 6.2% (2013: 4.8%). The increase in investment income reflects the portfolio created with Baillie Gifford & Co Ltd in July 2013 utilising a part of the legacies received in 2013.

Endowment funds have increased by just over 10% from £54m to £59.7m. This year the College undertook formal valuations of all of the properties owned by the College. This indicated strong performances from the Oxford properties and the South London estate. The lease negotiations with the occupier of the property owned by the subsidiary, Tean Limited, have been protracted leading to a downward valuation offsetting some of the gains in London and Oxford.

The out-turn in 2013/14 has enabled the College to keep the draw on the endowment at our target maximum of 3.5%, measured over a rolling five year period. This included the Rhodes Building being out of commission for all of the financial year with the subsequent loss of both rental and conference income.

A balanced budget has been set for 2014/15 which assumes a draw of 3.5% from endowment funds. The suggested draw on the endowment has been ratified by the College's Investment Advisory Committee and Finance Committee as a reasonable draw to continue to operate with.

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Reserves Policy

The Governing Body has sufficient reserves for the College to be managed efficiently and to ensure uninterrupted services.

The College's reserves policy is to maintain sufficient free reserves to enable it to meet its short-term financial obligations in the event of an unexpected revenue shortfall and to allow the College to be managed efficiently and to provide a buffer that would ensure uninterrupted services.

The College's free reserves at the year-end amounted to £4,246k (2013: £3,010k).

Designated reserves at the year-end are detailed at the foot of note 18 of the accounts with a description of each area in note 19.

Investment Policy, Objectives and Performance

Endowment assets are invested in land and property, equities, fixed income securities and cash deposits. Land and property investments increased slightly in value to £37,497k from £36,737k following formal valuations undertaken in July 2014.

Investment in securities were valued at £40,809k (2013: £36,879k). The cash balances at year end amounted to £3,424k as shown in the consolidated balance sheet. £1.2m of the cash at year end was used to purchase an investment property in Rectory Road, Oxford in August 2014.

A further write down of £3.4m on the value of the College's investment in Endsleigh Business Park near Cheltenham has been necessary. The subsidiary accounts for Tean Limited, the owner of the Endsleigh property, therefore indicate a loss for the year as outlined in note 14 to the accounts. The reduction in value has occurred due to market conditions and the expiry of the current lease in 2017. The Governing Body is confident that a new lease will be arranged in due course and the asset value will increase significantly as a result.

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

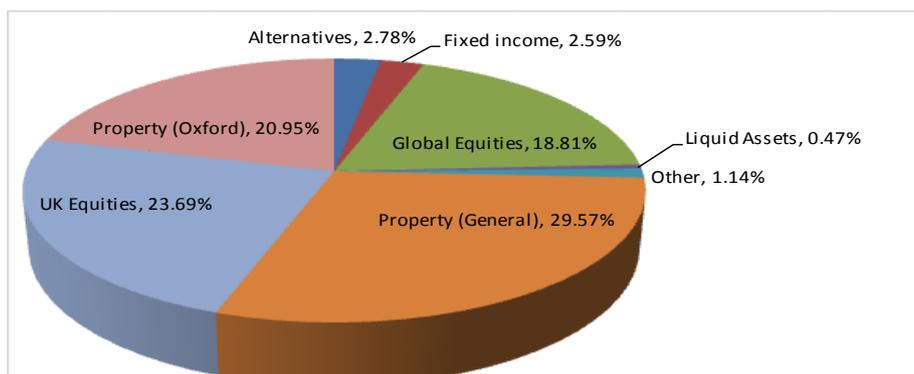
- maintaining (at least) the value of the investments in real terms
- producing consistent and sustainable funds to support expenditure
- delivering these objectives within acceptable levels of risk

The medium term strategy is to reduce exposure to property and increase investment in global equities. Baillie Gifford was appointed as a fund manager alongside Sarasin Partners in July 2013 with a global equities mandate. The asset allocation is reported on and reviewed at each meeting by the Investment Committee.

Both the investment committee and the Finance and Estates Committee review the agreed spending rate applied to the income generated by the permanent, expendable and restricted endowment funds annually. The drawdown rate, currently 3.5%, is reviewed annually with the objective of maintaining the real value of the endowment over the long term whilst maximising support for the College's charitable purposes.

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The current asset allocation is represented below:



Note: Oxford property includes strategic assets adjacent to the College which are being held for the long term.

Returns from most of the property portfolio continue to be strong and rent reviews have been favourable (particularly within the South London estate).

During the year the College employed Cambridge Associates LLP to undertake regular investment performance reviews as an independent consultant. The reports are discussed by the Investment Advisory Committee and each fund manager presents to the Committee at least annually. The fund managers are benchmarked against the recognised indices. The performance of the main investment funds and the relevant benchmark is detailed in the table below:

The gross figures for endowment performance are as follows:

	Value at start of year A	Value at end of year B	New investments disposals etc C	Income D	Income Yield	Capital return	Total return
	£'000	£'000	£'000	£'000	%	%	%
Property	36,737	37,497	-1,742	3,384	9.02%	6.81%	15.84%
Equities bonds and cash	36,879	40,809	3,626	1,434	3.51%	0.82%	4.34%
Total	73,616	78,306	1,884	4,818	6.15%	3.81%	9.96%

Average income yield D/B
 Capital return (B-A-D)/B
 Income +
 Capital
 Total return Yield

The table above includes the allocation with Sarasin LLP of shorter term fixed term funds to support building projects.

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STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES

Trustees' Responsibilities Statement

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

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The trustees 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 charity and the group and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's and group's transactions, and disclose with reasonable accuracy at any time the financial position of the charity and the group and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Governing Body on 12 November 2014 and signed on its behalf by:

Moira Wallace OBE
Provost

ORIEL COLLEGE

Report of the Auditor to the Members of the Governing Body

We have audited the financial statements of Oriel College for the year ended 31 July 2014 which comprise the 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 law 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 section 154 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 anyone other than the Charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Trustees and Auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 14, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed 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 (APB's) Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate

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 parent Charity's affairs as at 31 July 2014 and of the group's incoming resources and application of resources, including its income and expenditure, 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; 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.

Grant Thornton UK LLP
Statutory Auditor,
Chartered Accountants
OXFORD

Grant Thornton UK LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.
Date: 12 November 2014

ORIEL COLLEGE

Statement of Accounting Policies

Year ended 31 July 2013

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 Land Estates and Property Ltd, Tean Ltd and Oriel College Conferences 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 in the consolidated income, expenditure and results of the College are disclosed in note 14.

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 donation 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 income and expenditure.

7. Leases

Rentals payable under operating leases are charged in the SOFA on a straight line basis over the relevant lease terms.

ORIEL COLLEGE

Statement of Accounting Policies

Year ended 31 July 2013

8. Tangible fixed assets

Expenditure on the acquisition, construction or enhancement of land and buildings costing 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.

9. Intangible assets

Positive goodwill arising on consolidation is capitalised, classified as an asset on the balance sheet and amortised over its estimated useful life of 13 years. This length of time is presumed to be the maximum useful life of goodwill because it is difficult to make projections beyond this period. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable.

10. Depreciation

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

Freehold properties, including major extensions	50 years
Leasehold properties	50 years or period of lease if shorter
Major refurbishments	30 years
Capital Building Items	5 years
IT Equipment	3 years
Vehicles	3 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.

11. 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.

12. Stocks

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

13. Foreign currencies

Transactions denominated in foreign currencies during the year are translated 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.

14. Fund accounting

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

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

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

Permanent endowment funds arise where donors specify that the funds should be retained as capital for the permanent benefit of the College. Any income arising from the capital will be accounted for as unrestricted funds unless the donor has placed 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.

15. Pension costs

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

Oriel College
Consolidated SOFA
For the year ended 31 July 2014

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2014 Total £'000	College 2013 Total £'000
INCOMING RESOURCES						
Resources from charitable activities	1					
Teaching, research and residential		4,711	0	0	4,711	4,937
		<u>4,711</u>	<u>0</u>	<u>0</u>	<u>4,711</u>	<u>4,937</u>
Resources from generated funds						
Legacies and donations		683	812	1,887	3,382	12,162
Trading income	2	363	0	0	363	256
Investment income	3	2,813	2,005	0	4,818	3,550
Bank and other interest	4	18	0	0	18	44
		<u>3,877</u>	<u>2,817</u>	<u>1,887</u>	<u>8,581</u>	<u>16,012</u>
Other incoming resources		143	0	0	143	70
Total Incoming Resources		<u>8,731</u>	<u>2,817</u>	<u>1,887</u>	<u>13,435</u>	<u>21,019</u>
RESOURCES EXPENDED						
Cost of generating funds	5					
Fundraising		406	10	0	416	360
Trading expenditure		29	0	0	29	39
Investment expenditure		914	519	174	1,607	1,623
		<u>1,349</u>	<u>529</u>	<u>174</u>	<u>2,053</u>	<u>2,022</u>
Charitable activities	5					
Teaching and research		5,535	1,609	0	7,144	7,120
		<u>5,535</u>	<u>1,609</u>	<u>0</u>	<u>7,144</u>	<u>7,120</u>
Governance costs	8	37	0	0	37	41
Total Resources Expended		<u>6,921</u>	<u>2,138</u>	<u>174</u>	<u>9,233</u>	<u>9,183</u>
Net incoming/(outgoing) resources before transfers		1,810	679	1,713	4,202	11,835
Transfers between funds	18	(1,688)	17	1,671	0	0
Net incoming/(outgoing) resources before other gains and losses		<u>122</u>	<u>696</u>	<u>3,384</u>	<u>4,202</u>	<u>11,835</u>
Investment gains/(losses)		494	31	2,281	2,806	5,206
Net movement in funds for the year		<u>616</u>	<u>727</u>	<u>5,665</u>	<u>7,008</u>	<u>17,041</u>
Fund balances brought forward	18	9,410	2,320	54,002	65,732	48,691
Funds carried forward at 31 July	18	<u>10,026</u>	<u>3,047</u>	<u>59,667</u>	<u>72,740</u>	<u>65,732</u>

Oriel College
Consolidated Balance Sheet
As at 31 July 2014

	Notes	2014 Group £'000	2013 Group £'000	2014 College £'000	2013 College £'000
FIXED ASSETS					
Intangible assets	11	75	112	0	0
Tangible assets	10	8,561	5,559	9,286	5,559
Property investments	12	37,497	36,737	29,274	25,388
Securities and other investments	13	40,809	36,879	42,191	37,361
		86,942	79,287	80,751	68,308
CURRENT ASSETS					
Stocks		294	263	295	263
Debtors	15	1,255	664	4,722	7,389
Cash at bank and in hand		3,424	4,733	1,930	4,417
		4,973	5,660	6,947	12,069
CREDITORS: falling due within one year	16	(3,145)	(2,375)	(1,483)	(1,383)
NET CURRENT ASSETS/(LIABILITIES)		1,828	3,285	5,464	10,686
TOTAL ASSETS LESS CURRENT LIABILITIES		88,770	82,572	86,215	78,994
CREDITORS: falling due after more than one year	17	(16,030)	(16,840)	(12,500)	(12,500)
NET ASSETS		72,740	65,732	73,715	66,494
FUNDS OF THE COLLEGE					
Endowment funds		59,667	54,002	60,819	52,896
Restricted funds		3,047	2,320	2,259	2,244
Unrestricted funds					
Designated funds		5,780	6,400	5,839	6,464
General funds		4,246	3,010	4,798	4,890
		72,740	65,732	73,715	66,494

The financial statements were approved and authorised for issue by the Governing Body of Oriel College on: 12 November 2014

Trustee:

Trustee:

Oriel 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	24,25	<u>(1,119)</u>	<u>7,793</u>
Returns on investments and servicing of finance			
Income from investments		4,835	3,594
Finance costs paid		(931)	(1,044)
		<u>3,904</u>	<u>2,550</u>
Capital expenditure and financial investment			
New endowment capital received		1,887	2,411
Payments for tangible fixed assets		(3,331)	(576)
Proceeds from sales of tangible fixed assets		0	0
Payments for investments		(7,430)	(30,054)
Proceeds from sales of investments		5,546	19,691
		<u>(3,328)</u>	<u>(8,528)</u>
Financing			
New bank loans		0	
Bank loans repaid		(766)	(724)
New lease finance		0	
Capital element of finance lease payments		0	
		<u>(766)</u>	<u>(724)</u>
Increase/(decrease) in cash in the year		<u>(1,308)</u>	<u>1,091</u>
Reconciliation of net cash flow to movement in net funds			
Increase/(decrease) in cash in the year		(1,308)	1,091
Transfers to/(from) term deposits and current investments		0	0
(Increase)/decrease in loan and lease finance		766	724
Change in net funds		<u>(542)</u>	<u>1,815</u>
Net funds at 1 August		(12,875)	(14,690)
Net funds at 31 July		<u>(13,417)</u>	<u>(12,875)</u>

Oriel College
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	2014 Total £'000	2013 Total £'000
Teaching, research and residential					
Tuition fees - UK and EU students	1,634	0	0	1,634	1,593
Tuition fees - Overseas students	362	0	0	362	297
Other fees	39	0	0	39	13
Other HEFCE support	0	0	0	0	0
Other academic income	120	0	0	120	158
College residential income	2,556	0	0	2,556	2,876
	<u>4,711</u>	<u>0</u>	<u>0</u>	<u>4,711</u>	<u>4,937</u>

The above analysis includes grants totalling £1,431k received from Oxford University, net of College fees received directly (2013 - £1,379k)

College residential income includes £818k of charitable conference income (2013 £1,061).

2 TRADING INCOME

	2014 £'000	2013 £'000
Conference trading income	338	232
Other trading income	25	24
	<u>363</u>	<u>256</u>

3 INVESTMENT INCOME

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2014 Total £'000	2013 Total £'000
Commercial rent	1,360	1,184	0	2,544	2,580
Other property income	0	34	0	34	0
Equity dividends	1,434	0	0	1,434	945
Other investment income	19	787	0	806	25
	<u>2,813</u>	<u>2,005</u>	<u>0</u>	<u>4,818</u>	<u>3,550</u>

The £787k restricted other investment income relates to realised gains made from two property sales undertaken during the year.

4 BANK AND OTHER INTEREST INCOME

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2014 Total £'000	2013 Total £'000
Bank interest	18	0	0	18	44
	<u>18</u>	<u>0</u>	<u>0</u>	<u>18</u>	<u>44</u>

Oriel College
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	2014 Total £'000	2013 Total £'000
Costs of generating funds					
Fundraising	253	124	39	416	360
Trading expenditure	14	0	15	29	39
Investment expenditure	74	683	850	1,607	1,623
Total costs of generating funds	341	807	904	2,052	2,022
Charitable expenditure					
Teaching, reserach and residential	3,354	2,672	1,118	7,144	7,120
Total charitable expenditure	3,354	2,672	1,118	7,144	7,120
Governance costs	5	32	0	37	41
Total resources expended	3,700	3,511	2,022	9,233	9,183

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 £41k (2013 - 12k)

Investment related expenditure includes £903k of interest payments relating to College and Subsidiary Company loans (2013 - £936k)

6 SUPPORT COSTS

	Generating Funds £'000	Teaching Research Residential £'000	2014 Total £'000	2013 Total £'000
Financial and domestic admin	10	368	378	393
Human resources	0	116	116	71
IT	7	252	259	223
Depreciation	84	254	338	346
Bank interest payable	775	128	903	936
Other finance charges	28	0	28	109
	904	1,118	2,023	2,078

Finance and administration, IT and human resources costs are attributed according to the estimated staff time spent on each activity by each member of staff
 Depreciation costs are attributed according to the use made of the underlying assets.
 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	117	9	126	118
Bursaries and hardship awards	88	41	129	145
	205	50	255	263

The figures above include the College contribution to the Oxford Bursaries scheme.

Oriel College
Notes to the financial statements
For the year ended 31 July 2014

8 GOVERNANCE COSTS

	2014	2013
	£'000	£'000
Governance costs comprise:		
Auditor's remuneration - audit services	30	32
Auditor's remuneration - other services	2	4
Other governance costs	5	5
	37	41

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	2013
	£'000	£'000
The aggregate payroll costs for the year were as follows.		
Salaries and wages	3,463	3,362
Social security costs	264	253
Pension costs	428	383
	4,155	3,998

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

	2014	2013
Tuition and research	18	15
College residential	69	65
Fundraising	5	4
Support	19	19
Total	111	103

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

	2014	2013
University Lecturers	21	20
CUF Lecturers	9	7
Other teaching and research	15	17
Other	2	3
Total	47	47

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.

No employees (excluding the College Trustees) had gross pay and benefits (excluding employer NI and pension contributions) of more than £60,000 during the year

Oriel College
Notes to the financial statements
For the year ended 31 July 2014

10 TANGIBLE FIXED ASSETS

Group	Leasehold land and buildings £'000	Freehold land and buildings £'000	Plant and Machinery £'000	Fixtures, Fittings and Equipment £'000	Total £'000
Cost					
At start of year	0	7,726	19	762	8,507
Additions and assets under construction	0	3,315	0	16	3,331
At end of year	0	11,041	19	778	11,838
Depreciation					
At start of year	0	2,337	12	599	2,948
Charge for the year	0	258	7	64	329
At end of year	0	2,595	19	663	3,277
Net book value					
At end of year	0	8,446	0	115	8,561
At start of year	0	5,389	7	163	5,559

The asset under construction relates to the refurbishment of the Rhodes building due for completion in 2014.

College	Leasehold land and buildings £'000	Freehold land and buildings £'000	Plant and Machinery £'000	Fixtures, Fittings and Equipment £'000	Total £'000
Cost					
At start of year	0	7,728	19	760	8,507
Additions and assets under construction	0	4,040	0	16	4,056
Disposals	0	0	0	0	0
At end of year	0	11,768	19	776	12,563
Depreciation					
At start of year	0	2,337	12	599	2,948
Charge for the year	0	258	7	64	329
On disposals	0	0	0	0	0
At end of year	0	2,595	19	663	3,277
Net book value					
At end of year	0	9,173	0	113	9,286
At start of year	0	5,391	7	161	5,559

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. All of these items are for use in the day to day fulfillment of the College's charitable objectives. 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 Intangible Assets

Group	2014 £'000	2013 £'000
Cost		
At start of year	482	482
At end of year	482	482
Depreciation		
At start of year	370	333
Charge for the year	37	37
At end of year	407	370
Net book value		
At end of year	75	112
At start of year	112	149

This represents consolidated goodwill

Oriel College
Notes to the financial statements
For the year ended 31 July 2014

12 PROPERTY INVESTMENTS

Group	Agricultural £'000	Commercial £'000	Other £'000	2014 Total £'000	2013 Total £'000
Valuation at start of year	175	24,150	12,412	36,737	34,106
Additions and improvements at cost	0	0	0	0	2,105
Disposals net proceeds	0	(1,455)	(287)	(1,742)	0
Revaluation gains/(losses) in the year	81	(2,496)	4,917	2,502	526
Valuation at end of year	256	20,199	17,042	37,497	36,737

College	Agricultural £'000	Commercial £'000	Other £'000	2014 Total £'000	2013 Total £'000
Valuation at start of year	175	14,250	10,963	25,388	21,753
Additions and improvements at cost	0	0	0	0	2,105
Disposals net proceeds	0	(1,455)	0	(1,455)	0
Revaluation gains/(losses) in the year	81	904	4,356	5,341	1,530
Valuation at end of year	256	13,699	15,319	29,274	25,388

An external valuation of the agricultural properties was prepared by as at 31 July 2014 by Neil Evans Bsc Dip Arb FRICS MCI of Marriotts Oxford.

An external valuation of the South London estate as of 31 July 2014 was prepared by RJE Steed BSc FRICS ACRArb of Cook Steed Associates Ltd.

An external valuation of Audley Avenue and Endsleigh Business Park was under as of 31 July 2014 taken by Bruce P Fenley BSc (Hons) MRICS of Alder King LLP.

A formal valuation is undertaken every four years

13 SECURITIES AND OTHER INVESTMENTS

	2014 £'000	2013 £'000
Group investments		
Valuation at start of year	36,879	23,943
New money invested	7,430	27,947
Amounts withdrawn	(3,804)	(19,691)
(Decrease)/increase in value of investments	304	4,680
Group investments at end of year	40,809	36,879
Investment in subsidiaries	1,382	482
College investments at end of year	42,191	37,361

Group investments comprise:	Held outside the UK £'000	Held in the UK £'000	2014 Total £'000	2013 Total £'000
Equity investments	14,393	18,781	33,174	31,585
Global multi-asset funds	779	487	1,266	1,292
Property funds		1,163	1,163	1,168
Fixed interest stocks		3,255	3,255	1,779
Alternative and other investments		1,557	1,557	839
Fixed term deposits and cash		394	394	216
Total group investments	15,172	25,637	40,809	36,879

Oriel College
Notes to the financial statements
For the year ended 31 July 2014

14 SUBSIDIARY UNDERTAKINGS

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

	Oriel College Conferences Limited £'000	Land and Estates Ltd £'000	Tean Limited £'000
Turnover	338	4,053	1,114
Expenditure	(52)	(3,257)	(323)
Gains/(losses) on property revaluation	0	0	(3,400)
Donation to College under gift aid	(286)	(796)	(791)
Result for the year	0	0	(3,400)
		0	
Total assets	44	3,320	6,642
Total liabilities	(44)	(1,928)	(10,366)
Net funds at the end of year	0	1,392	(3,724)

15 DEBTORS

	2014 Group £'000	2013 Group £'000	2014 College £'000	2013 College £'000
Amounts falling due within one year:				
Trade debtors	197	184	183	142
Amounts owed by College members	38	33	38	33
Amounts owed by Group undertakings	0	0	3,664	6,767
Loans repayable within one year	10	7	10	7
Prepayments and accrued income	825	412	825	412
Other Debtors	185	28	2	28
	1,255	664	4,722	7,389

16 CREDITORS: falling due within one year

	2014 Group £'000	2013 Group £'000	2014 College £'000	2013 College £'000
Bank loans	810	766	0	0
Obligations under finance leases	0	0	0	0
Trade creditors	1,042	74	350	74
Amounts owed to College Members	76	14	76	14
Amounts owed to Group undertakings	5	0	0	166
Taxation and social security	0	105	83	85
College contribution	0	0	0	0
Accruals and deferred income	822	1,090	604	731
Other creditors	390	326	370	313
	3,145	2,375	1,483	1,383

17 CREDITORS: falling due after more than one year

	2014 Group £'000	2013 Group £'000	2014 College £'000	2013 College £'000
Bank loans	16,030	16,840	12,500	12,500
	16,030	16,840	12,500	12,500

The College has a £12.5m bullet loan at a fixed rate of 5.13% maturing in 2038. The subsidiary, Tean Limited, has an amortising loan with £5.1m outstanding at a fixed rate of 5.64%.

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18 FUNDS MOVEMENT CONSOLIDATED

	At 1 August 2013 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2014 £'000
Endowment Funds - Permanent						
Fellowship endowments						
Modern History (De Beers)	1,084				43	1,127
General Teaching	940	29			38	1,007
Maths (Harris)	511				20	531
Humanities	430				17	447
Computation (Misys and Accenture)	461				18	479
Environmental Science (Jackson)	1,134	1			45	1,180
Medicine (Laing)	539	12			21	572
Economics (Macpherson)	541	1			21	563
Modern History (Rothmans/Cowen)	740				29	769
Classics (Monro)	578				22	600
Biochemistry (Moody)	788				31	819
Ancient History (Nancy Turpin)	518				20	538
Philosophy (Orienses)	988	3			38	1,029
Physics (Rhodes)	1,053				41	1,094
Engineering (T.I. Group)	524				21	545
Chemistry (Todd)	529				21	550
Law (Benn)	400				16	416
French (Orienses/HNC House)	403	1			16	420
History (Catto/Larsen)	1,468	3			58	1,529
Early Modern History JRF	0	1,000			58	1,058
Turpin JRF	540				21	561
Humanities (Turpin)	378				15	393
English Fellowship	334				13	347
Biochemistry (Teaching Fund)	330	150			9	489
Other fellowship endowments < £350,000)	1,371	18			55	1,444
Scholarship endowments	498				20	518
Prize fund endowments	66				3	69
Hardship endowments	494				20	514
Hargreaves Library	409				16	425
Lee Seng Tee building fund	870				34	904
Other buildings and residences endowments < £350,000	773	15			31	819
Bursary endowments (capital funds)	2,445	69			99	2,613
Endowment Funds - Expendable						
College fund	30,568	575	(75)	147	1,245	32,460
Expendable hardship funds	84				3	87
Expendable building funds	4	1			1	6
Trust funds held by College	102		(95)			7
Expendable Fellowship funds	5					5
Theology Philosophy of Religion	1,018				39	1,057
Turpin JRF	0			1,027	41	1,068
Classics (Monro/Mason)	0			514	20	534
Expendable bursary funds	4	4				8
Other expendable funds	80	5	(4)	(17)	2	66
						0
Total Endowment Funds	54,002	1,887	(174)	1,671	2,281	59,667
Restricted Funds						
Bursary income funds	386	103	(49)		16	456
Fellowships	21	693	(692)			22
Scholarships	0	18	(16)			2
Prize funds	1	2	(2)			1
Student Financial Assistance	9	18	(14)		1	14
College fund	0	1,037	(1,037)			0
Rhodes Building (restricted funds)	1,461	552				2,013
Pantin Library refurbishment	414		(17)			397
Buildings	0	73	(72)			1
Other restricted funds received during the year	28	320	(239)	17	14	141
Total Restricted Funds	2,320	2,817	(2,138)	17	31	3,047

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Unrestricted Funds						
General unrestricted	3,010	8,468	(6,747)	(897)	412	4,246
Barclays loan repayment fund	139	60			7	206
Annual Fund designated fund	105	15	(14)		4	110
Rhodes building designated fund	1,529	65		457		2,051
Residential Room Refurbishment Fund	132	4	(129)	132	5	144
Building refurbishment fund	3,437	118		(457)	62	3,160
Turpin Legacy Chapel Fund	31		(31)			0
Turpin JRF Designated Fund	1,027			(1,027)		0
Sportsfund	0			18	1	19
IT Projects	0	1		86	3	90
Total Unrestricted Funds	9,410	8,731	(6,921)	(1,688)	494	10,026
Total Funds	65,732	13,434	(9,233)	0	2,806	72,740

19 FUNDS OF THE COLLEGE DETAILS

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

Endowment Funds - Permanent:

Fellowship endowments	Capital funds allocated towards the teaching costs of the College. Income is used to support academic activities in the related areas
Scholarship endowments	Capital funds allocated towards helping students with their living costs. Income is used from the funds to support the activities in the related subject areas
Prize fund endowments	Capital funds allocated towards student prizes. Income is used from the funds on an annual basis
Hardship endowments	Capital funds allocated to help with students on low incomes. Income is used from the funds on an annual basis
Buildings and residences endowments	Capital funds given towards maintaining the buildings and facilities. Income is used from the funds on an annual basis
Bursary endowments (capital funds)	Capital funds providing support to students. Income is transferred to restricted bursary funds and either spent or earmarked for use in future years

Endowment Funds - Expendable:

College capital	A consolidation of gifts, legacies and donations where either income, or income and capital can be used for the general purposes of the charity
Expendable student financial assistance funds	Capital balance of past donations where related income, or income and capital, can be used to aid students through financial assistance
Trust funds held by College	Charitable trust funds administered by the college.

Restricted Funds:

Bursary income funds	Income generated from the permanent fund is used to fund bursaries to students. Unspent money is carried forward
Fellowships	Income generated from the permanent fund is used to fund academic subject activity
Scholarships	Income generated from the permanent fund is used to fund scholarships in the year
Prize funds	Income generated from the permanent fund is used to fund prizes in the year
Student Financial Assistance	Income generated from permanent fund is used for financial assistance to students
College fund	Income generated from the permanent fund is used to fund college activity
Rhodes Building (restricted funds)	Restricted donations towards the refurbishment of the Rhodes Building
Pantin Library	During 2011-13 the College library has been fully refurbished. The building works have been capitalised leading to a reducing restricted funds in the accounts
Buildings the year	Restricted donations towards maintaining the fabric of the college buildings Sundry restricted gifts in the year funding various one off items of revenue activity

Designated Funds

Rhodes building fund	Unrestricted Funds allocated by the Fellows to part pay for the refurbishment of the Rhodes Building due for completion Autumn 2014
Barclays loan repayment fund	The College has a £12.5m 30 year bullet loan from Barclays. This fund is designed to build an amount to repay the capital due at the end of the loan period.
Annual Fund	Unrestricted funds allocated by the Fellows towards unfunded academic activity (for example student residential revision weekends)
Residential Room Refurbishment Fund	Unrestricted funds which have been allocated towards the refurbishment of college accommodation to ensure that students and conference guest rooms are furnished to an appropriate high standard
Turpin Chapel Fund	A fund set up in 12/13 as part of the Turpin legacy which has paid for the Chapel lighting works
Building Maintenance Funds	Designation of various unrestricted legacies towards future capital building projects
Sportsfund	Designation of unspent funds from 13/14 supporting student sports activities. This will allow for additional resources to be spent on sports in 14/15
IT Development	Designation of unspent 13/14 allocations due to some projects and upgrades being delayed until 2014/15.

The General Unrestricted Funds represent accumulated income from the College's activities and other sources

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that are available for the general purposes of the College

20 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total £'000
Intangible assets	75	0	0	75
Tangible fixed assets	8,561	0	0	8,561
Property investments	0	0	37,497	37,497
Securities and other investments	(0)	1,796	39,013	40,809
Net current assets	1,390	1,251	(16,843)	(14,202)
	<u>10,026</u>	<u>3,047</u>	<u>59,667</u>	<u>72,740</u>

21 TRUSTEES' REMUNERATION

The Fellows who are the Trustees of the College for the purposes of charity law receive no remuneration for acting as charity trustees but are paid by either or both of the University and the College for the academic services they provide to the College.

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").

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.

Trustees of the college fall into the following categories

Provost
 Tutorial Fellow
 Other Teaching Fellow
 Non Tutorial Fellow

Range	Number of trustees/fellows	
	2014	2013
£0- £999	12	14
£1,000-£1,999	1	
£8,000-£8,999	2	
£10,000-£10,999	1	
£12,000-£12,999	2	2
£14,000-£14,999	2	1
£15,000-£15,999	1	
£16,000-£16,999	1	
£19,000-£19,999	9	12
£20,000-£20,999		1
£22,000-£22,999	1	
£23,000-£23,999	2	2
£24,000-£24,999	1	
£26,000-£26,999	1	
£27,000-£27,999		1
£33,000-£33,999	1	
£35,000-£35,999	1	
£37,000-£37,999	1	1
£41,000-£41,999	2	1
£42,000-£42,999		
£43,000-£43,999		1
£45,000-£45,999	1	
£47,000-£47,999		1
£48,000-£48,999		1
£49,000-£49,999	2	2
£67,000-£67,999		1
£68,000-£68,999	1	
£76,000-£76,999	1	
£81,000-£81,999		1
£85,000-£85,999		1
£92,000-£92,999		1
£93,000-£93,999	1	
£102,000-£103,999	1	

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22 PENSION SCHEMES

The College participates in the Universities Superannuation Scheme ("USS") and the Oriel College Group Personal Pension Scheme (GPP). USS is a contributory defined benefit scheme (i.e. they provide benefits based on length of service and final pensionable salary) and is contracted out from the State Second Pension Scheme. GPP, which is not contracted out of the State Second Pension Scheme, provides benefits on a money purchase basis. The assets of USS and GPP are each held in separate trustee-administered funds.

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.

Actuarial valuations

Qualified actuaries periodically value the USS scheme. USS 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.

Date of valuation:	31/03/2011
Date valuation results published:	15/06/2012
Value of liabilities:	£35,344m
Value of assets:	£32,434m
Funding Surplus/(Deficit):	(£2,910m) ^{a&b}
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)	-
Rate of interest (periods after retirement)	-
Rate of increase in salaries	4.4% pa
Rate of increase in pensions	3.4% pa ^d
Mortality assumptions:	
Assumed life expectancy at age 65 (males)	23.7 yrs
Assumed life expectancy at age 65 (females)	25.6 yrs
Funding Ratios:	
Technical Provisions basis:	92%
Statutory Pension Protection Fund basis:	93%
"Buy-out" basis:	57%
Estimated FRS17 basis	82% ^e
Recommended Employer's contribution rate (as % of pensionable salaries):	16% ^e
Effective date of next valuation:	31/03/2014

Notes:

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. 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.

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.

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.

As noted above (note a.), the USS employer contribution rate required for future service benefits

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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.

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

Assumption	Change in assumption	USS
		decrease / increase / more
Valuation rate of interest	increase/d	decrease /
Rate of pension increases	increase/d	increase /
Rate of salary growth	increase/d	increase /
Rate of mortality	more	increase

The pension charge for the year includes contributions payable to the USS of £278k (2013 - £243k) and contributions payable to GPP of £150k (2013 - £140k).

An amount owing for pension contributions of £48k was owing at year end.

23 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 company(ies) because the directors of this/these company(ies) 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.

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

	2014 £'000	2013 £'000
Net incoming resources for the year	4,202	11,835
Elimination of non-operating cash flows:		
- Investment income	(4,835)	(3,594)
- Endowment donations	(1,887)	(2,411)
- Financing costs	931	1,044
		0
Depreciation	366	377
Decrease/(Increase) in stock	(31)	1
Decrease/(Increase) in debtors	(591)	125
(Decrease)/Increase in creditors	726	416
Net cash inflow/(outflow) from operations	(1,119)	7,793

25 ANALYSIS OF CHANGES IN NET FUNDS

	2013 £'000	Cash flow £'000	2014 £'000
Cash at bank and in hand	3,524	(100)	3,424
	3,524	(100)	3,424
Bank loans due within one year	(766)	(44)	(810)
Bank loans due after one year	(12,500)	(3,530)	(16,030)
	(9,742)	(3,674)	(13,416)

26 CAPITAL COMMITMENTS

The College had contracted commitments at 31 July for future capital projects totalling £750,000 (2013 - £4,000,000). This relates to the major refurbishment of the Rhodes Building due to be completed in the Autumn of 2014. In addition the College purchased an investment property adjacent to the JMH site in August 2014. At year end the College was committed to the purchase price of £1,077,250.

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27 RELATED PARTY TRANSACTIONS

The College has five properties with a total net book value of £1,344,650 (2013 £1,253,189) owned jointly with five trustees.

Range	2014 £'000	2013 £'000
£344,000-£345,000	0	1
£321,000-£322,000	1	0
£297,000-£298,000	1	0
£288,000-£289,000	1	0
£256,000-£257,000	1	1
£241,000-£242,000	0	1
£213,000-£214,000	0	1
£180,000-£181,000	1	0
£160,000-£161,000	0	1

All joint equity properties are subject to sale on the departure of the trustee from the College.
The trustees pay rent to the College on the College owned share of the properties at the assessed current market rate.

28 LEGACIES

From time to time, the College is notified of legacies in its favour. These are only recognised in the Statement of Financial Activities when the conditions for their recognition have been met. The estimated value of such legacies receivable by the College at the year end is in the region of £150k (2013: £700k).

29 CONTINGENT LIABILITIES

None

30 POST BALANCE SHEET EVENTS

None