



# Exeter College

Annual Report and Financial Statements

Year ended 31 July 2017

# **EXETER COLLEGE**

## **Annual Report and Financial Statements**

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## EXETER COLLEGE

### Governing Body, Officers and Advisers

Year ended 31 July 2017

#### 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 Trustees during the year or subsequently are detailed below.

Trustee		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<b>Rector</b>											
Professor Sir Richard Trainor		•	•	•	•	•	•	•	◆	•	•
<b>Official Fellows</b>											
Dr Michael Hart					•						
Prof Richard Vaughan-Jones	Demitted 15 March 2017			•		•			◆		
Ms Jeri Johnson		•		•	•	•		•			•
Dr Helen Spencer											
Dr Maureen Taylor		•		•		•					
Prof Faramerz Dabhoiwala	Demitted 1 Sept 2016										
Prof Jonathan Herring				•				•		•	
Dr Peter Johnson	Demitted 30 Sept 2016										
Prof Andrew Steane				•				•			•
Prof Simon Clarke				•							
Prof Zhongmin Qian				•							
Prof Jane Hiddleston											
Prof Christina de Bellaigue				•							
Mr William Jensen		•	•	•	•	•	•	•	◆	•	•
Professor Cornelia Drutu											
Mrs Katrina Hancock	Demitted 31 March 2017	•					•				•
Dr Chris Ballinger		•		•		•	•	•			•
Dr Philipp Kukura				•							
Prof Michael Osborne				•							
Prof Jared Tanner			•								

**EXETER COLLEGE****Governing Body, Officers and Advisers****Year ended 31 July 2017**

<b>Trustee</b>		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Prof Karin Sigloch		•		•							
Dr James Grant				•		•					•
Prof Rachel Taylor				•							
Dr Martin Davy				•							
Rev'd Mr Andrew Allen					•						
Dr Sophie Butler	Demitted 30 Sept 2017				•						
Dr Alice Brooke	Demitted 30 Sept 2017			•			•				
Dr Adrien Vigier	Demitted 1 Aug 2017			•							
Prof Conall MacNiocaill		•		•							
Prof Garret Cotter											
Dr Barnaby Taylor	Appointed 8 October 2016			•							
Dr Imogen Choi	Appointed 11 October 2017										
Prof Giuseppe Marcocci	Appointed 11 October 2017										
Dr Natasha Simonova	Appointed 11 Oct 2017										
<b>Fellows by Special Election</b>											
Dr James Kennedy					•						
Professor Andrew Farmer		•							•		
Ms Helen Watson	Demitted 28 Feb 2017	•							•		
Dr Ian Fielding	Demitted 30 Sept 2016										
Dr Stephen Leonard	Demitted 30 April 2017		•	•							
Dr Asli Niyazioglu	Appointed 11 Oct 2017										
Prof Oreet Ashery	Appointed 11 Oct 2017										
<b>Research Fellows</b>											
Prof Robert Klose	Demitted 31 March 2017										
Dr Jason Carter							•				
Dr Christopher Markiewicz	Demitted 31 August 2017										

## EXETER COLLEGE

### Governing Body, Officers and Advisers

Year ended 31 July 2017

Trustee		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Dr Gail Hayward							•				
Dr Catherine Green	Appointed 11 Oct 2017										
<b>Professorial Fellows</b>											
Prof Edwin Williamson											
Prof Marc Lauxtermann				•							
Mr Nigel Portwood			•						•		
Prof Dame Carol Robinson				•					• (a)		
Prof Ervin Fodor									•		
Prof Christoph Tang				•					•		
Dr Chris Fletcher											
Prof Keith Channon						•					

During the year the activities of the Governing Body were carried out through ten main committees. The membership of these committees during the 2016/17 academic year is shown above for each Fellow.

- (1) Finance and General Purposes Committee
- (2) Investment Committee
- (3) Education, Research and Welfare Committee
- (4) Staff Committee
- (5) Fellowships Committee
- (6) Development Committee
- (7) Governance and Policy Committee
- (8) Remuneration and Benefits Committee
- (9) Health & Safety Committee
- (10) Buildings and Gardens Committee

◆ Represents in attendance

(a) From 8 March 2017

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

## **EXETER COLLEGE**

### **Governing Body, Officers and Advisers**

**Year ended 31 July 2017**

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#### **COLLEGE SENIOR STAFF**

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

Ms Eleanor Burnett	<i>College Accountant</i>
Mr Gez Wells	<i>Deputy Bursar</i>
Ms Emily Eastham/Ms Josie Cobb	<i>Academic Registrar</i>

#### **COLLEGE ADVISERS**

##### **Investment Advisers**

Sand Aire Ltd  
105 Wigmore Street  
LONDON  
W1U 1QY

##### **Land Agents**

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

##### **Property Adviser & Planning Consultant**

Turnberry Planning Ltd  
41-43 Maddox Street  
LONDON W1S 2PD

##### **Auditor**

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

##### **Bankers**

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

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

## **EXETER COLLEGE**

**Governing Body, Officers and Advisers**

**Year ended 31 July 2017**

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### **Bankers (*cont'd*)**

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

### **Solicitors**

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

Maples Teesdale LLP  
30 King Street  
LONDON EC2V 8EE

Stone King Solicitors  
28 Ely Place  
LONDON EC1N 6TD

### **College address**

Turl Street,  
Oxford,  
OX1 3DP

### **Website**

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

## **EXETER COLLEGE**

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

**Year ended 31 July 2017**

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The Members of the Governing Body present their Annual Report for the year ended 31 July 2017 under the Charities Act 2011 together with the audited financial statements for the year.

### **REFERENCE AND ADMINISTRATIVE INFORMATION**

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

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

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Governing documents**

The College is governed by its Letters Patent of Queen Elizabeth I dated 1566 and by its Statutes as approved by order of Her Majesty in Council from time to time, in accordance with the Universities of Oxford and Cambridge Act 1923 (the current Statutes having been approved on 6 March 2007).

#### **Governing Body**

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

The Finance and General Purposes Committee is responsible for the operational budgeting and financial control of the College and the Investment Committee is responsible for the governance and management of the College Endowment.

The Investment Committee comprises Fellows of the College and four independent members with professional investment experience, who serve in a voluntary capacity. The Investment Committee is further supported by an investment adviser, Sand Aire Ltd, a private family investment office which evaluates third-party funds and other investments that may be incorporated within the portfolio and provides asset allocation and market strategy guidance. The College's Land Agent, Savills, provides professional advice on the management of the land investments; other professional consultants are retained for specific issues. The College investments are maintained in accordance with an investment policy which is approved by the Governing Body and reviewed periodically.

The academic operations of the College are guided by the Education and Welfare Committee.

#### **Recruitment and training of Members of the Governing Body**

Fellows of the College are recruited through open competition to their teaching and research positions or to offices of the College (such as Bursar or Development Director) as such vacancies arise, except for the few Fellows whose Fellowship arises from a University appointment. Vacancies are advertised on the College website, in the University Gazette, on the Jobs.ac.uk website and in such professional or national journals as may be appropriate.

All Fellows are inducted into the workings of the College and given information on the duties of a trustee. They are advised that they will carry such responsibilities as members of Governing Body at the time they are offered their job, and are required to confirm that they have read and understood those obligations as a condition of taking up their appointment.

Trustee indemnity insurance is in place for the College.



## **EXETER COLLEGE**

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

**Year ended 31 July 2017**

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#### **Remuneration of Members of the Governing Body and Senior College Staff**

Members of the Governing Body, all of whom are Fellows, are administrative, teaching or research employees of the College or University and receive no remuneration or benefits from their trusteeship of the College.

Those trustees that are also employees of the College receive remuneration for their work as employees of the College which is determined on the advice of the College's Remuneration Committee, members of which are Fellows not in receipt of remuneration from the College. For academic staff, remuneration is set in line with that awarded to the University's academic staff according to the published academic scales.

The remuneration of senior college staff is set with reference to the seniority and qualifications required for such a post and in most cases the remuneration is set by reference to the published University of Oxford academic-related scales.

#### **Organisational management**

The members of the Governing Body meet six times a year. The work of developing their policies and monitoring the implementation of these is carried out by ten management committees. These committees take their business to Governing Body in the form of recommendations, supported by background information and analysis.

- The Finance and General Purposes Committee is responsible for the operational finances of the College, for the management of the functional buildings and for reviewing and approving all contractual arrangements of the College.
- The Investment Committee is responsible for the oversight and operation of the College's global investment portfolio and of its investment property.
- The Education, Research and Welfare Committee is responsible for all questions of educational policy and welfare policy relating to Junior Members of the College.
- The Staff Committee is responsible for the development of employment policies and for the recruitment, personal development and welfare of all non-academic staff.
- The Fellowships Committee is responsible for all matters connected with fellowships of the College and, in particular, makes recommendations on (i) elections to all Governing Body Fellowships, (ii) the renewal of all Governing Body Fellowships, and (iii) elections to Honorary, Visiting and Emeritus Fellowships.
- The Development Committee is responsible for advising the College on policies and priorities for its fund raising operations, for engaging and mobilising volunteers and supporters of the College and for alumni relations.
- The Governance & Policy Committee is responsible for reviewing constitutional and legislative changes affecting the College and for preparing relevant changes to the Statutes, Bylaws and other governing and policy documents of the College, for the consideration of the Governing Body.
- The Remuneration and Benefits Committee is responsible for advising the Governing Body on the remuneration and benefits of the Rector and Fellows and those College Officers and other such staff as the Governing Body may from time to time specify. The voting members of the Remuneration Committee do not receive any remuneration or benefit from the College, other than Common Table.
- The Health and Safety Committee is responsible for the implementation of the College's Health and Safety Policies and advises the Governing Body on necessary changes to those Policies.
- The Buildings and Gardens Committee is responsible for proposals relating to major refurbishment, alterations redecoration and furnishing of existing College buildings, plans for new College buildings and matters relating to the College gardens.

## **EXETER COLLEGE**

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

**Year ended 31 July 2017**

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

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

The College administers many special trusts, as detailed in Notes 18 to 19 to the financial statements.

The College has three wholly owned non-charitable trading subsidiaries: Exeter College Trading Limited, for non-charitable trading, Collexoncotoo Limited, which undertakes all the College's building works and Exeter College Yew Tree Hill Development Company Ltd which is a property investment company. All companies Gift Aid their annual profits to Exeter College. The trading activities of Exeter College Trading Limited primarily comprise revenue from letting of the College facilities when not in use by the College, through commercial conferences and banquets. The subsidiaries' aims, objectives and achievements are covered in the relevant sections of this report.

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

#### **OBJECTIVES AND ACTIVITIES**

##### **Charitable Objects and Aims**

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

The Governing Body has considered the Charity Commission's guidance on public benefit and in keeping with its objects, the College's aims for the public benefit are:

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

The College's long and short term objectives are to support and promote excellent research across the disciplines represented in the College and to recruit the most able undergraduate and graduate students and ensure that they are taught and supervised to high academic standards. These are expensive objectives to fulfil, and excellence in research and teaching requires the greatest possible consistent funding to support the intensive tutorial teaching system which is the hallmark of Oxford and to enable professional academics and research students to have the time and the opportunity to pursue their enquiry.

To these ends, the College has two strategic objectives, which are: (1) to create and maintain the highest quality College buildings, historic or new, necessary for acceptable, affordable living and teaching, and (2) to grow the endowment and increase profitable trading activity such that both can sustain the costs of teaching and research that are not met from public funds.

The College measures its success by its appeal to professional academics and students as a place to study and by the results they achieve in the Oxford University Public Examinations and in the affirmation of research excellence through publications, the award of competitive grant funding and the international recognition of the quality of research published by its Fellows and research students.

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

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

**Year ended 31 July 2017**

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#### **Activities and objectives of the College**

The activities of the College are teaching and research. The achievements of the College's students and academics recorded below demonstrate how the College has furthered its objectives in the past year.

The student body comprised 516 full-time students: 325 full time undergraduates (of whom 276 were Home/EU/Islands, 49 were Overseas); 166 students engaged in full time postgraduate study or research, (including 50 taught-course students and 116 research students); 27 were visiting undergraduate students. The College's student body also included 14 part-time postgraduate students.

Eighty-four undergraduates completed their courses in 2016–17, of whom 90% received First or Upper Second class Honours. Fifty-three postgraduates completed taught courses in 2016–17 (9 of them gaining Distinctions), and 18 research students successfully defended their theses.

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

In addition to the Oxford Bursary Scheme, which is operated and funded equally by the University of Oxford and the Colleges, Exeter College offers generous financial support to its students through hardship grants and academic grants. The College also has a number of graduate scholarship and bursary schemes funded from specific trusts. The total value of student support through bursaries and scholarships, including the Oxford Bursaries, was £604k (2016: £489k).

The way the Oxford Bursary Scheme is being administered within the Collegiate University, means that the College paid £79k as its share towards the full cost of the scheme. However, a total of 48 Exeter undergraduates received the Oxford Bursary from Exeter College, with 11 students receiving a Moritz-Heyman Bursary of either £3,700, £4,500 or £5,500 and 15 students receiving the maximum bursary for their year of entry. The total value of Oxford Bursaries provided to Exeter College students was £141k (2016: £172k). In addition to the provision of Oxford Bursaries, 23 undergraduates were entitled to Fee Remission. The total Fee Remission granted to the College's undergraduates was £70k, of which the College bore £16k.

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

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

#### **Access programme 2016/17**

Exeter has particular links with schools in Somerset, Devon and Cornwall under Oxford University's regionalisation programme, now in its 8th year, which ensures that schools and colleges in every part of the UK are systematically linked to Oxford Colleges or the University Admissions Office.

This year the College ran six regional conferences (jointly with Downing College, Cambridge): multi-school events for sixth formers based in Devon and Cornwall. These events involved Outreach staff and Admissions Tutors from both Oxford and Cambridge, and an additional venue (Barnstaple) was added this year in order to open up the conferences to as many students as possible.

As in previous years, Exeter ran a residential programme in Oxford for Sixth Formers. This year, students from Somerset were also eligible to apply, as well as those from Devon and Cornwall, and the decision was made to increase the number of spaces offered to 60 (compared to 30 in previous years). Only 33 places were taken up, but feedback from this event (which included admissions information and workshops, tours of several colleges, and a demonstration interview, among other activities) was positive and the event was

## **EXETER COLLEGE**

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

**Year ended 31 July 2017**

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deemed to be a success nonetheless. Due to a grant received from the Oxford and Cambridge Collaborative Outreach Network, we were also able to trial provision of £40 travel grants for attendees. To date, just over half of attendees have claimed their travel grant, and the provision of full travel grants (as is offered by Downing College for their own summer residential) is something which may be considered in order to further our Access aims.

Many other school visits were undertaken throughout the year, both in Oxford and in the South-West, although the number of outbound visits was significantly reduced as part of our strategic Outreach plan (which aims to provide more targeted events, and make best use of our limited time and resources for Outreach). In total, Exeter's Outreach work involved over 90 different schools and colleges in the course of the 2016-17 academic year (excluding events with many attendees – such as UCAS fairs, and faculty Open Days). We also welcomed 35 different school groups to Exeter for events ranging from full day-long visits to short College tours; our new method of providing schools with set dates to choose from for a full day 'Standard visit' to Oxford (20 dates provided, a maximum of 25 students allowed, mixed-school groups encouraged) worked well and reduced the time spent attempting to find suitable dates for visits, as well as allowing schools to have events booked in months in advance.

Exeter hosted two subject-specific study days, targeting Year 12 students with interest in History and Modern Languages, respectively. The purpose of these days was both Student Recruitment and Widening Access, and invitations were initially sent to UNIQ 'near miss' candidates, before being opened out to applications from other students.

Exeter also made a major contribution to other outreach projects in Oxford, as it has done in previous years. The College remains an active supporter of the Pathways Programme, a collaboration between most of Oxford's undergraduate colleges, and this year Exeter hosted several Pathways events. The Outreach and Undergraduate Admissions Officer continues to hold the role of Co-ordinator for Year 11 Pathways Investigating Subjects events; three such events were organised over the Long Vacation, involving some Exeter students and tutors as speakers, and, in the case of Investigating Humanities and Investigating Social Sciences, using Exeter as a host location, as was also the case in the 2015-16 academic year.

The College continued to develop its Ambassador programme, by which it recruits and trains current undergraduates who volunteer with Access events. This year's training took place in conjunction with Lincoln College, and 8 new Ambassadors were recruited following an application process and interviews. Ambassadors were thanked for their efforts with an evening event during Trinity Term.

### **ACHIEVEMENTS AND PERFORMANCE**

Undergraduate students were awarded prestigious prizes by the University for excellent academic performance. These included: five Gibbs Prizes for the best performance in a subject in the University (Biochemistry, Earth Sciences, Mathematics & Philosophy, Physics & Philosophy); separately two awards of the Gibbs Book Prize (Clinical Medicine); one prize for high performance in Biochemistry Part 2 examinations, one Turbutt Prize in Chemistry, one John Peace Memorial Prize in Clinical Medicine, one IMA Prize for part C Mathematics; one prize for first year examinations (Mathematics).

Academic achievements of Fellows and Lecturers have been widely recognised. For example, one early-career Fellow was awarded the Malcolm H Kerr Dissertation Award in the Humanities for 2016 from the Middle East Studies Association. A Professorial Fellow was honoured by being elected a foreign associate of the US National Academy of Sciences, one of the highest honours in science, and was named 50 most influential women in the analytical sciences. A Research Fellow left his Fellowship on being appointed to a Chair (Professorship) elsewhere. One former Professorial Fellow was elected a Fellow of the Royal Society.

### **FINANCIAL REVIEW**

The most significant development in the financial year is that the College took possession of the Cohen Quadrangle buildings on 23 December 2016 and students moved in at the beginning of Hilary Term. The building was delivered late and the College was compelled to find satisfactory hotel accommodation for the 90

## EXETER COLLEGE

### Report of the Governing Body

Year ended 31 July 2017

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students who had expected to reside at Cohen Quadrangle for the whole of Michaelmas Term. The cost of this was £557,000 and is included as an expense in the year's activities.

The College agreed the final account post year-end with the main contractor, Mace Limited, and all anticipated final costs are accrued in these financial statements.

The opening of Cohen Quadrangle has been a tremendous success and the resources that it brings to Exeter are recognised within and beyond the College as a transformation of its potential for future development and higher academic aspiration. Several leading international academic conferences have already been held at Cohen Quadrangle, both within and outside term time. The College's Special Collections, archives and medieval manuscripts have all been transferred to the new state-of-the-art archive at Cohen Quadrangle and the spacious reading room adjoining it has already made the collection available to a wide audience of expert scholars and students.

The College held its inaugural Summer Programme at Cohen Quadrangle over June and July 2017, which was attended by 70 undergraduate students from around the world. The Summer Programme has been established as a fee-paying study-abroad programme aimed mainly at undergraduates in North America and South East Asia. Exeter creates the academic programme and recruits tutors from Oxford and beyond to deliver the six-week courses, which are assessed and are capable of earning 'credits' toward the students' degree course at their home universities. In addition to adding a new stream of vacation revenue, the programme expects to attract future Oxford graduate applicants from its programme alumni and the visibility which the programme gives Exeter internationally is a significant boost to its reputation.

On the financial front, the College's consolidated total funds increased by £5.9m in the year, standing at £123.1m at 31 July 2017 (2016: £117.8m). The endowment funds increased by £1.4m, the restricted funds decreased by £600k and the unrestricted funds increased by £4.6m.

The College's income was £11.6m (2016: £8.4m), of which £2.5m was from tuition fees, other academic income and other HEFCE support; £3.96m was from legacies and donations; £3.5m was from residential income, and; £1.1m was from investment income. Donations included £1m of a £3m pledge towards the regeneration of the College Library. Fee income and investment income remained broadly the same as in 2016, whereas residential income has significantly increased due to the opening of Cohen Quad and the resultant income from students, summer schools and conferences.

Total expenditure increased from £9m to £12m, leaving the College with net incoming resources of £5.4m after investment gains (2016: £3.7m). Of the £12m, £10.5m was spent directly on teaching, research and residential activity, with the balance being spent on activities which underpin the charitable purposes of the College. The increase in expenditure is largely due to the opening of the Cohen Quad site during the year and all the attributable costs associated with running the College's Third Quad. The site is being depreciated over fifty years, commencing in this financial year, resulting in an additional £1m of depreciation.

With the introduction of the disclosure and calculation of a defined benefit pension scheme deficit liability from 2016, the balance sheet holds a liability against its General Funds of £994k (2016: £1.015m). General funds have reduced by £600k since 31 July 2016 due to expenditure on Cohen Quad that was not taken from either endowment or restricted funds. The Trustees are comfortable with this figure as they have the option of transferring additional funds from the unrestricted expendable endowment if they choose to do so in a subsequent financial year, which will return the General Funds to a more sustainable balance.

The total return for the College endowment in the year to 31 July 2017 was 8.6%, compared with an estimated return of 12.7% for the strategic benchmark, which is a basket of international market indices combined in proportion to the target allocation of asset classes. As with the previous year, the Investment Committee held larger cash balances than normal in the expectation of meeting further calls for Cohen Quadrangle, thus underperforming global equity markers which had a positive impact on the strategic benchmark which assumed a fully-invested deployment. A further factor affecting the overall endowment performance was the substantial allocation to (historic) property assets – agricultural land and residential property in Oxford. Both asset types were little changed in capital value over the year and their weighting in the endowments mitigated against the stronger performance of global equities.



## **EXETER COLLEGE**

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

**Year ended 31 July 2017**

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In September 2017, after certain contractual commitments were met, the sale of half the development site at Yew Tree Hill to the homebuilder Taylor Wimpey completed and the first tranche of completion monies was received; two further deferred payments are due in the next financial year, which will complete the sale of the housing development, leaving only the land designated for a care home and local centre to be sold. The local centre and care home site was being actively promoted by Savills at the year-end and early indications suggest strong demand for the site.

#### **Reserves policy**

The Governing Body has previously agreed that the free general reserves should be maintained at six months expenditure to allow the College to be managed efficiently and to provide a buffer to maintain its charitable activities even in the event of an unexpected drop in income or exceptional expense. In monetary terms, this equates to a figure of approximately £5.5m and with free reserves at 31 July 2017 being £945k, this is lower than the policy target.

In practice, the College's expendable endowment funds are available to support unexpected fluctuations in income and expenditure. The College maintains a level of liquidity that ensures there is both sufficient cash to meet expected future calls from private equity investments, cover the next year's distribution to the College under the spend rule and cope with unexpected emergencies without having to sell investment assets in volatile markets.

Total funds of the College and its subsidiaries at the year-end amounted to £123.1m (2016: £117.8m). This includes endowment capital of £70.1m and unspent restricted income funds totalling £3.9m. Free reserves at the year-end amounted to £945k (2016: £1.5m), representing retained unrestricted income reserves excluding an amount of £47.3 m for the book value of tangible fixed assets less associated funding arrangements, and funds designated at the year-end amounting to £801k (2016: £1.15m).

#### **Risk management**

The College has on-going processes which operate throughout the financial year for identifying, evaluating and managing the principal risks and uncertainties faced by the College and its subsidiaries in undertaking their activities. The principal risks and uncertainties faced by the College and its subsidiaries that have been identified are categorised into three main elements - 1) Finances, Premises, Employment and Operations, 2) Academic Risk, and 3) Governance & Compliance. Included within these categories are a number of individual risks which are reviewed annually and managed with various controls and procedures. The following bullet points highlight the key risks:

- A material drop in donations from the Annual Fund which would result in a downturn in spending capacity and pressure to cut costs. Controls that are in place include systematic processes for cultivating donors and consistently reviewing prospects and related donor engagement strategies;
- Consistent underperformance of the endowment, which would result in a downturn in spending capacity and pressure to cut costs. The Investment and Accounts Committee and investment advisers review performance, risk and the investment climate quarterly, which is considered sufficient for reacting to market changes;
- Key officer risk arising from reliance on single individuals with large portfolios of responsibilities and specialist knowledge, mitigated largely by documented procedures and frequent meetings between senior officers to review present issues within the College; and
- Failure to attract high calibre students from a diverse range of backgrounds, resulting in reputational damage and failure to compete with other colleges and universities. Measures are in place to communicate and market the College's distinctive characteristics. A Schools Liaison Officer is employed to manage communication with schools in the Devon and Cornwall area and a systematic program of access initiatives is in place.

When it is not able to address risk issues using internal resources, the College takes advice from experts external to the College with specialist knowledge. Policies and procedures within the College are reviewed by the relevant College Committee, chaired by the Rector. Financial risks are assessed by the Finance and

## **EXETER COLLEGE**

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

**Year ended 31 July 2017**

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Estates Committee and investment risks are monitored by the Investment Committee. In addition, the Health and Safety Committee meets regularly to review health and safety issues. The Equality Review Committee regularly reviews and amends the College's policies relating to employment, harassment, disability, gender, freedom of speech and internal codes of conduct in the light of both legislation and best practice. Training courses and other forms of career development are available, when appropriate, to members of staff to enhance their skills in risk-related areas.

The Governing Body has ultimate responsibility for managing those identifiable risks faced by the College and is committed to ensuring that appropriate and adequate systems, procedures and arrangements are in place to manage these risks. It is recognised that systems, procedures and arrangements can only provide reasonable but not absolute assurance that major risks have been managed. The College maintains a Risk Register which is used to identify potential risks and their impact and likelihood; the Register is reviewed annually.

#### **Investment policy, objectives and performance**

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

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

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

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

The carrying value of the preserved permanent capital and the amount of any unapplied total return available for expenditure was taken as the open market values of these funds as at 1 August 2002 together with the original gift value of all subsequent endowment received.

#### **FUTURE PLANS**

The completion and occupation of Cohen Quadrangle has already begun to open up new opportunities for the College to enhance and grow its core mission which is to pursue excellence in teaching and research. Undergraduates and graduate students alike are making use of the new light-filled spaces in the Learning Commons to study and the seminar rooms are heavily used for general teaching and for specialist seminars and lectures. Increasingly, the building is being booked by College fellows and by University departments for important academic conferences and symposiums and the inauguration of the Summer Programme referred to earlier is an example of how Cohen Quadrangle is enabling the College to break into new academic activities.

The next pressing capital project is the regeneration of the College Library at Turl Street. The transfer of the Special Collection to Cohen Quadrangle marks the first logistical stage in that ambition and an exceptionally generous pledge made by a former undergraduate student in the year provides the foundation for further

## **EXETER COLLEGE**

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

**Year ended 31 July 2017**

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matched funding to make this important project a fully-philanthropic enterprise. The process of evaluating both the requirements of the College Library in the C21st and the opportunities to work imaginatively within a listed building has begun and will inform the architectural selection process. Beginning the physical work will be dictated largely by progress on philanthropic funding of the balance of the project budget but it is hoped that work might commence at the end of the 2019 academic year.

### **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. Under that law the Governing Body have prepared the financial statements in accordance United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102: The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102).

Under charity law the Governing Body must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the College and of its net income or expenditure 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, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the College will continue to operate.

The Governing Body is responsible for keeping proper accounting records that are sufficient to show and explain the College's transactions and disclose with reasonable accuracy at any time the financial position of the College and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the College and ensuring their proper application under charity law and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Governing Body on 6 December 2017 and signed on its behalf by:

Sir Rick Trainor

Rector



## **EXETER COLLEGE**

### **Independent Auditor's Report to the Members of the Governing Body of Exeter College**

#### **Opinion**

We have audited the financial statements of Exeter College for the year ended 31 July 2017 which comprise the Group Statement of Financial Activities, the Group and Parent Charity Balance Sheets, the Group Charity Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. 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) including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland'.

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 2017 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.

This report is made solely to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charity and charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and parent charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a

## **EXETER COLLEGE**

### **Independent Auditor's Report to the Members of the Governing Body of Exeter College**

material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **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 Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept adequate accounting records; 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.

#### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 15, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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 objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and the parent charity's internal control.

## EXETER COLLEGE

### Independent Auditor's Report to the Members of the Governing Body of Exeter College

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Kingston Smith LLP, Statutory Auditor

Devonshire House  
60 Goswell Road  
London  
EC1M 7AD

Date:

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

# EXETER COLLEGE

## Statement of Accounting Policies

Year ended 31 July 2017

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### 1. Scope of the financial statements

The financial statements present the Consolidated Statement of Financial Activities (SOFA), the Consolidated and College Balance Sheets and the Consolidated Statement of Cash Flows for the College and its wholly owned subsidiaries; Exeter College Trading Limited, Collexoncotoo Limited and Exeter College Yew Tree Hill Development Company Limited. The subsidiaries have been consolidated from the date of their formation by the College, which owns 100% of the share capital in each company. No separate SOFA has been presented for the College alone as currently permitted by the Charity Commission on a concessionary basis for the filing of consolidated financial statements. A summary of the results and financial position of the charity and each of its material subsidiaries for the reporting year are in note 12.

### 2. Basis of accounting

The College's individual and consolidated financial statements have been prepared in accordance with United Kingdom Accounting Standards, in particular 'FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102).

The College is a public benefit entity for the purposes of FRS 102 and a registered charity. The College has therefore also prepared its individual and consolidated financial statements in accordance with 'The Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with FRS 102' (The Charities SORP (FRS 102)).

The financial statements have been prepared on a going concern basis and on the historical cost basis, except for the measurement of investments and certain financial assets and liabilities at fair value with movements in value reported within the Statement of Financial Activities (SOFA). The principal accounting policies adopted are set out below and have been applied consistently throughout the year.

### 3. Accounting judgements and estimation uncertainty

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the Governing Body to have most significant effect on amounts recognised in the financial statements.

- The College participates in a multi-employer defined benefit pension plan. In the judgement of the Governing Body there is insufficient information about the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets in the financial statements and therefore the plan is accounted for as a defined contribution scheme (see note 22).
- The College and its subsidiaries carry investment property at fair value in the balance sheet, with changes in fair value being recognised in the income and expenditure section of the SOFA. Independent valuations are obtained to determine fair value at the balance sheet date.
- Before legacies are recognised in the financial statements, the Governing Body has to exercise judgement as to what constitutes sufficient evidence of entitlement to the bequest. Sufficient entitlement exists once notification of payment has been received from the executor(s) of the estate or estate accounts are available which indicate there are sufficient funds in the estate after meeting liabilities for the bequest to be paid.

In the view of the Governing Body, no other assumptions concerning the future or estimations of uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

With respect to the next financial year, the other most significant areas of uncertainty that affect the carrying value of assets held by the College are the level of investment return and the performance of investment markets.

# EXETER COLLEGE

## Statement of Accounting Policies

Year ended 31 July 2017

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### 4. Income recognition

All income is recognised once the College has entitlement to the income, the economic benefit is probable and the amount can be reliably measured.

#### a. Income from fees, HEFCE support and other charges for services

Fees receivable, less any scholarships, bursaries or other allowances granted from the College's unrestricted funds, HEFCE support and charges for services and use of the premises are recognised in the period in which the related service is provided.

#### b. Income from donations, grants and legacies

Donations and grants that do not impose specific future performance-related or other specific conditions are recognised on the date on which the charity has entitlement to the resource, the amount can be reliably measured and the economic benefit to the College of the donation or grant is probable. Donations and grants subject to performance-related conditions are recognised as and when those conditions are met. Donations and grants subject to other specific conditions are recognised as those conditions are met or their fulfilment is wholly within the control of the College and it is probable that the specified conditions will be met.

Legacies are recognised following grant of probate and once the College has received sufficient information from the executor(s) of the deceased's estate to be satisfied that the gift can be reliably measured and that the economic benefit to the College is probable.

Donations, grants and legacies accruing for the general purposes of the College are credited to unrestricted funds.

Donations, grants and legacies which are subject to conditions as to their use imposed by the donor or set by the terms of an appeal are 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 in kind (as distinct from cash or other monetary assets), they are measured at the fair value of those assets valued at the market value of the underlying assets received at the date of the gift receipt.

#### c. Investment income

Interest on bank balances is accounted for on an accruals basis with interest recognised in the period to which the interest relates.

Income from fixed interest debt securities is recognised using the effective interest rate method.

Dividend income and similar distributions are recognised on the date the share interest becomes ex-dividend or when the right to the dividend can be established.

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

### 5. Expenditure

Expenditure is accounted for on an accruals basis. A liability and related expenditure is recognised when a legal or constructive obligation commits the College to expenditure that will probably require settlement, the amount of which can be reliably measured or estimated.

Grants awarded that are not performance-related are charged as an expense as soon as a legal or constructive obligation for their payment arises. Grants subject to performance-related conditions are expensed as the specified conditions of the grant are met.

All expenditure including support costs and governance costs are allocated or apportioned to the applicable expenditure categories in the Statement of Financial Activities (the SOFA).

Support costs, which include governance costs (costs of complying with constitutional and statutory requirements) and other indirect costs, are apportioned to expenditure categories in the SOFA based on

## EXETER COLLEGE

### Statement of Accounting Policies

Year ended 31 July 2017

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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.

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

#### 6. Leases

Leases of assets that transfer substantially all the risks and rewards of ownership are classified as finance leases. The costs of the assets held under finance leases are included within fixed assets and depreciation is charged over the shorter of the lease term and the assets' useful lives. Assets are assessed for impairment at each reporting date. The corresponding capital obligations under these leases are shown as liabilities and recognised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. Lease payments are apportioned between capital repayment and finance charges in the SOFA so as to achieve a constant rate of interest on the remaining balance of the liability.

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Rentals payable under operating leases are charged in the SOFA on a straight line basis over the relevant lease terms. Any lease incentives are recognised over the lease term on a straight line basis.

#### 7. Tangible fixed assets

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Expenditure on the acquisition or enhancement of land and on the acquisition, construction and enhancement of buildings which is directly attributable to bringing the asset to its working condition for its intended use and amounting to more than £10,000, together with expenditure on equipment costing more than £1,000 is capitalised.

Where a part of a building or equipment is replaced and the costs capitalised, the carrying value of those parts replaced is derecognised and expensed in the SOFA.

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

#### 8. Depreciation

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

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

Freehold land is not depreciated. The cost of maintenance is charged in the SOFA in the period in which it is incurred.

At the end of each reporting period, the residual values and useful lives of assets are reviewed and adjusted if necessary. In addition, if events or change in circumstances indicate that the carrying value may not be recoverable then the carrying values of tangible fixed assets are reviewed for impairment.

## **EXETER COLLEGE**

### **Statement of Accounting Policies**

**Year ended 31 July 2017**

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#### **9. Investments**

Investment properties are initially recognised at their cost and subsequently measured at their fair value (market value) at each reporting date. Purchases and sales of investment properties are recognised on exchange of contracts.

Listed investments are initially measured at their cost and subsequently measured at their fair value at each reporting date. Fair value is based on their quoted price at the balance sheet date without deduction of the estimated future selling costs.

Investments such as hedge funds and private equity funds which have no readily identifiable market value are initially measured at their costs and subsequently measured at their fair value at each reporting date without deduction of the estimated future selling costs. Fair value is based on the most recent valuations available from their respective fund managers.

Changes in fair value and gains and losses arising on the disposal of investments are credited or charged to the income or expenditure section of the SOFA as 'gains or losses on investments' and are allocated to the fund holding or disposing of the relevant investment.

#### **10. Other financial instruments**

##### **a. Cash and cash equivalents**

Cash and cash equivalents include cash at banks and in hand and short term deposits with a maturity date of three months or less.

##### **b. Debtors and creditors**

Debtors and creditors receivable or payable within one year of the reporting date are carried at their transaction price. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payment discounted at a market rate of interest.

#### **11. 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.

#### **12. Foreign currencies**

The functional and presentation currency of the College and its subsidiaries is pound sterling, rounded to the nearest thousand.

Transactions denominated in foreign currencies during the year are translated into pounds sterling using the spot exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into pounds sterling at the rates applying at the reporting date.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the exchange rates at the reporting date are recognised in the income and expenditure section of the SOFA.

#### **13. Total Return investment accounting**

The College statutes authorise the College to adopt a 'total return' basis for the investment of its permanent endowment. The College can invest its permanent endowments without regard to the capital/income distinctions of standard 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 component of the endowment known as the unapplied total return that can either be retained for investment or released to income at the discretion of the Governing Body.



## **EXETER COLLEGE**

### **Statement of Accounting Policies**

**Year ended 31 July 2017**

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#### **14. Fund accounting**

The total funds of the College and its subsidiaries are allocated to unrestricted, restricted or endowment funds based on the terms set by the donors or set by the terms of an appeal. 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 specified that the funds are to be used for particular purposes of the College. 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 or permitted the capital to be maintained and with the intention that the income will be used for specific purposes within the College's objects.

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

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

#### **15. Pension costs**

The costs of retirement benefits provided to employees of the College through two multi-employer defined pension schemes are accounted for as if these were defined contribution schemes as information is not available to use defined benefit accounting in accordance with the requirements of FRS 102. The College's contributions to these schemes are recognised as a liability and an expense in the period in which the salaries to which the contributions relate are payable.

In addition, a liability is recognised at the balance sheet date for the discounted value of the expected future contribution payments under the agreements with these multi-employer schemes to fund the past service deficits.

The College also contributes to the personal pension arrangements of one employee. Contributions to these arrangements are charged to the SOFA in the period in which they are payable.



**Exeter College**  
**Consolidated Statement of Financial Activities**  
**For the year ended 31 July 2017**

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2017 Total £'000	2016 Total £'000
<b>INCOME AND ENDOWMENTS FROM:</b>						
Charitable activities:	1					
Teaching, research and residential		6,060	-	-	6,060	5,101
Other Trading Income	3	433	-	-	433	478
Donations and legacies	2	733	2,908	319	3,960	1,709
Investments						
Investment income	4	673	105	350	1,128	1,126
Total return allocated to income		-	-	-	-	-
Other income		-	-	-	-	-
<b>Total Income</b>		<b>7,899</b>	<b>3,013</b>	<b>669</b>	<b>11,581</b>	<b>8,414</b>
<b>EXPENDITURE ON:</b>						
Charitable activities:	5					
Teaching, research and residential		9,181	1,373	-	10,554	7,777
Generating funds:						
Fundraising		382	27	-	409	558
Trading expenditure		390	-	-	390	435
Investment management costs		306	72	239	617	296
<b>Total Expenditure</b>		<b>10,259</b>	<b>1,472</b>	<b>239</b>	<b>11,970</b>	<b>9,066</b>
<b>Net Income/(Expenditure) before gains</b>		<b>(2,360)</b>	<b>1,541</b>	<b>430</b>	<b>(389)</b>	<b>(652)</b>
Net gains/(losses) on investments	10, 11	4	-	5,745	5,749	4,401
<b>Net Income/(Expenditure)</b>		<b>(2,356)</b>	<b>1,541</b>	<b>6,175</b>	<b>5,360</b>	<b>3,749</b>
<b>Transfers between funds</b>	18	6,918	(2,131)	(4,787)	-	-
<b>Other recognised gains/losses</b>						
Gains/(losses) on revaluation of fixed assets		-	-	-	-	-
Actuarial gains/(losses) on defined benefit pension schemes		-	-	-	-	-
<b>Net movement in funds for the year</b>		<b>4,562</b>	<b>(590)</b>	<b>1,388</b>	<b>5,360</b>	<b>3,749</b>
Fund balances brought forward	18	<b>44,522</b>	<b>4,515</b>	<b>68,733</b>	<b>117,770</b>	114,021
<b>Funds carried forward at 31 July</b>		<b>49,084</b>	<b>3,925</b>	<b>70,121</b>	<b>123,130</b>	<b>117,770</b>

None of the group's activities were acquired or discontinued during the above two financial periods. The group has no recognised gains or losses other than those dealt with in the above Statement of Financial Activities.

**Exeter College**  
**Consolidated and College Balance Sheets**  
**As at 31 July 2017**

	Notes	2017 Group £'000	2016 Group £'000	2017 College £'000	2016 College £'000
<b>FIXED ASSETS</b>					
Tangible assets	9	62,538	54,103	63,212	54,588
Property investments	10	19,548	19,038	16,793	16,283
Other Investments	11	50,301	49,469	53,330	52,452
<b>Total Fixed Assets</b>		<b>132,387</b>	<b>122,610</b>	<b>133,335</b>	<b>123,323</b>
<b>CURRENT ASSETS</b>					
Stocks		89	89	89	89
Debtors	14	1,144	2,407	1,056	1,292
Cash at bank and in hand		10,033	8,584	9,225	8,286
<b>Total Current Assets</b>		<b>11,266</b>	<b>11,080</b>	<b>10,370</b>	<b>9,667</b>
<b>LIABILITIES</b>					
Creditors: Amounts falling due within one year	15	4,204	2,387	3,590	1,213
<b>NET CURRENT ASSETS</b>		<b>7,062</b>	<b>8,693</b>	<b>6,780</b>	<b>8,454</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>139,449</b>	<b>131,303</b>	<b>140,115</b>	<b>131,777</b>
<b>CREDITORS: falling due after more than one year</b>	16	<b>15,200</b>	<b>12,250</b>	<b>15,200</b>	<b>12,250</b>
Provisions for liabilities and charges	17	-	-	-	-
<b>NET ASSETS BEFORE PENSION LIABILITY</b>		<b>124,249</b>	<b>119,053</b>	<b>124,915</b>	<b>119,527</b>
Defined benefit pension scheme liability	22	1,119	1,283	1,119	1,283
<b>TOTAL NET ASSETS</b>		<b>123,130</b>	<b>117,770</b>	<b>123,796</b>	<b>118,244</b>
<b>FUNDS OF THE COLLEGE</b>					
	18				
<b>Endowment funds</b>		<b>70,121</b>	<b>68,733</b>	<b>70,121</b>	<b>68,733</b>
<b>Restricted funds</b>		<b>3,925</b>	<b>4,515</b>	<b>3,925</b>	<b>4,515</b>
<b>Unrestricted funds</b>					
Designated funds		48,139	43,003	48,813	43,488
General funds		945	1,519	937	1,508
		<b>123,130</b>	<b>117,770</b>	<b>123,796</b>	<b>118,244</b>

The financial statements were approved and authorised for issue by the Governing Body of Exeter College on 6 December 2017

Sir Rick Trainor (Trustee):

William Jensen (Trustee):

**Exeter College**  
**Consolidated Statement of Cash Flows**  
**For the year ended 31 July 2017**

	Notes	2017 £'000	2016 £'000
<b>Net cash provided by operating activities</b>	25	<b>2,672</b>	2,167
<b>Cash flows from investing activities</b>			
Dividends, interest and rents from investments		1,128	1,126
Purchase of property, plant and equipment		(10,023)	(18,508)
Proceeds from sale of investments		10,071	14,910
Purchase of investments		(5,668)	(13,909)
<b>Net cash used in investing activities</b>		<b>(4,492)</b>	(16,381)
<b>Cash flows from financing activities</b>			
Cash inflows from new borrowing		2,950	250
Receipt of endowment		319	51
<b>Net cash provided by (used in) financing activities</b>		<b>3,269</b>	301
<b>Change in cash and cash equivalents in the reporting period</b>		<b>1,449</b>	(13,913)
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b>8,584</b>	22,497
<b>Cash and cash equivalents at the end of the reporting period</b>	26	<b>10,033</b>	8,584

**Exeter College**  
**Notes to the financial statements**  
**For the year ended 31 July 2017**

**1 INCOME FROM CHARITABLE ACTIVITIES**

	2017 £'000	2016 £'000
<b>Teaching, Research and Residential</b>		
Unrestricted funds		
Tuition fees - UK and EU students	1,275	1,267
Tuition fees - Overseas students	802	796
Other fees	83	73
Other HEFCE support	163	154
Other academic income	191	198
College residential income	3,546	2,613
<b>Total Teaching, Research and Residential</b>	<b>6,060</b>	<b>5,101</b>
<b>Total income from charitable activities</b>	<b>6,060</b>	<b>5,101</b>

The above analysis includes £1496k received from Oxford University from publicly accountable funds under the CFF Scheme (2016: £1497k).

Under the terms of the undergraduate student support package offered by Oxford University to students from lower income households, the college share of the fees waived amounted to £16k (2016: £27k). These are not included in the fee income reported above.

**2 DONATIONS AND LEGACIES**

	2017 £'000	2016 £'000
<b>Donations and Legacies</b>		
Unrestricted funds	733	593
Restricted funds	2,908	1,065
Endowed funds	319	51
	<b>3,960</b>	<b>1,709</b>

**3 INCOME FROM OTHER TRADING ACTIVITIES**

	2017 £'000	2016 £'000
Subsidiary company trading income	416	478
Other trading income	17	-
	<b>433</b>	<b>478</b>

**4 INVESTMENT INCOME**

	2017 £'000	2016 £'000
<i>Unrestricted funds</i>		
Agricultural rent	131	88
Commercial rent	208	209
Other property income	79	77
Equity dividends	246	280
Bank interest	9	70
	<b>673</b>	<b>724</b>
<i>Restricted funds</i>		
Agricultural rent	32	19
Other property income	19	17
Equity dividends	54	54
	<b>105</b>	<b>90</b>
<i>Endowed funds</i>		
Agricultural rent	108	67
Other property income	65	59
Equity dividends	177	186
	<b>350</b>	<b>312</b>
<b>Total Investment income</b>	<b>1,128</b>	<b>1,126</b>

**Exeter College**  
**Notes to the financial statements**  
**For the year ended 31 July 2017**

**5 ANALYSIS OF EXPENDITURE**

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
<b>Charitable expenditure</b>		
Direct staff costs allocated to:		
Teaching, research and residential	3,923	3,225
Other direct costs allocated to:		
Teaching, research and residential	3,784	2,636
Support and governance costs allocated to:		
Teaching, research and residential	2,847	1,916
<b>Total charitable expenditure</b>	<b>10,554</b>	<b>7,777</b>
<b>Expenditure on generating funds</b>		
Direct staff costs allocated to:		
Fundraising	154	353
Trading expenditure	214	282
Investment management costs	-	-
Other direct costs allocated to:		
Fundraising	205	161
Trading expenditure	142	139
Investment management costs	616	295
Support and governance costs allocated to:		
Fundraising	50	44
Trading expenditure	34	14
Investment management costs	1	1
<b>Total expenditure on raising funds</b>	<b>1,416</b>	<b>1,289</b>
<b>Total expenditure</b>	<b>11,970</b>	<b>9,066</b>

The 2016 resources expended of £9066k represented £7610k from unrestricted funds, £1343k from restricted funds and £113k from endowed funds.

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. Contributions are calculated annually in accordance with regulations made by the Council of the University of Oxford.

The teaching and research costs include College Contribution payable of £9k (2016 - £43k).

**Exeter College**  
**Notes to the financial statements**  
**For the year ended 31 July 2017**

**6 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS**

	Generating Funds £'000	Teaching and Research £'000	2017 Total £'000
Financial administration	34	437	471
Human resources	-	116	116
IT	-	241	241
Depreciation	49	1,539	1,588
Loss/(profit) on fixed assets	-	(5)	(5)
Bank interest payable	-	659	659
Other finance charges	-	(164)	(164)
Governance costs	2	24	26
	<b>85</b>	<b>2,847</b>	<b>2,932</b>

	Generating Funds £'000	Teaching and Research £'000	2016 Total £'000
Financial administration	34	407	441
Human resources	-	77	77
IT	-	239	239
Depreciation	23	592	615
Loss/(profit) on fixed assets	-	-	-
Bank interest payable	-	643	643
Other finance charges	-	(68)	(68)
Governance costs	2	26	28
	<b>59</b>	<b>1,916</b>	<b>1,975</b>

Financial and domestic administration, IT and human resources costs are attributed according to the estimated staff time spent on each activity.

Depreciation costs and profit or loss on disposal of fixed assets 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.

Governance costs are allocated according to the time spent on each activity.

	2017 £'000	2016 £'000
<b>Governance costs comprise:</b>		
Auditor's remuneration - audit services	22	21
Auditor's remuneration - other services	4	7
Other governance costs	-	-
	<b>26</b>	<b>28</b>

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.

**Exeter College**  
**Notes to the financial statements**  
**For the year ended 31 July 2017**

**7 GRANTS AND AWARDS**

**2017**  
**£'000**

**2016**  
**£'000**

During the year the College funded research awards and bursaries to students from its restricted and unrestricted fund as follows:

**Unrestricted funds**

Grants to individuals:

Scholarships, prizes and grants

**55** 52

Bursaries and hardship awards

**11** 5

Graduate studentships

**15** 11

**Total unrestricted**

**81** **68**

**Restricted funds**

Grants to individuals:

Scholarships, prizes and grants

**58** 40

Bursaries and hardship awards

**113** 94

Graduate studentships

**352** 287

**Total restricted**

**523** **421**

**Total grants and awards**

**604** **489**

Within the bursaries and hardships awards figure above, is the cost to the College of the Oxford Bursary Scheme. Students of this College received £141k (2016: £172k) of Oxford Bursaries. Some of those students also received fee waivers amounting to £70k (2016: £106k).

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

**8 STAFF COSTS**

**2017**  
**£'000**

**2016**  
**£'000**

The aggregate staff costs for the year were as follows.

Salaries and wages

**3,908** 3,585

Social security costs

**302** 238

Pension costs:

Defined benefit schemes

**631** 550

Defined contribution schemes

**1** 3

Movement in pension deficit liability

**(164)** (68)

**4,678** **4,308**

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

**2017**

**2016**

Tuition and research

**19** 17

College residential

**90** 75

Fundraising

**4** 6

Support

**11** 10

Total

**124** **108**

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

University Lecturers

**14** 16

CUF Lecturers

**8** 8

Other teaching and research

**6** 7

Other

**5** 4

Total

**33** **35**

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.

The number of employees (excluding the College Trustees) during the year whose gross pay and benefits (excluding employer NI and pension contributions) fell within the following bands was:

£60,001-£70,000

**1** **1**

The number of the above employees with retirement benefits accruing was as follows:

In defined benefits schemes

**1** **1**

The College contributions to defined contribution pension schemes totalled

**1** **3**

**Exeter College**  
**Notes to the financial statements**  
**For the year ended 31 July 2017**

**9 TANGIBLE FIXED ASSETS**

Group	Assets under construction £'000	Freehold land and buildings £'000	Plant and machinery £'000	Fixtures, fittings and equipment £'000	Total £'000
<b>Cost</b>					
At start of year	30,022	29,850	-	1,320	<b>61,192</b>
Additions	-	9,269	-	754	<b>10,023</b>
Transfer to asset in use	(30,022)	30,022	-	-	-
<b>At end of year</b>	<b>-</b>	<b>69,141</b>	<b>-</b>	<b>2,074</b>	<b>71,215</b>
<b>Depreciation and impairment</b>					
At start of year	-	5,909	-	1,180	<b>7,089</b>
Depreciation charge for the year	-	1,434	-	154	<b>1,588</b>
<b>At end of year</b>	<b>-</b>	<b>7,343</b>	<b>-</b>	<b>1,334</b>	<b>8,677</b>
<b>Net book value</b>					
<b>At end of year</b>	<b>-</b>	<b>61,798</b>	<b>-</b>	<b>740</b>	<b>62,538</b>
At start of year	30,022	23,941	-	140	<b>54,103</b>

The above includes:

£0k (2016:£0k) of plant and machinery held under finance leases.

£0k (2016:£0k) of fixtures, fittings and equipment held under finance leases.

College	Assets under construction £'000	Freehold land and buildings £'000	Plant and machinery £'000	Fixtures, fittings and equipment £'000	Total £'000
<b>Cost</b>					
At start of year	30,507	29,850	-	1,320	<b>61,677</b>
Additions	-	9,458	-	754	<b>10,212</b>
Transfer to asset in use	(30,507)	30,507	-	-	-
<b>At end of year</b>	<b>-</b>	<b>69,815</b>	<b>-</b>	<b>2,074</b>	<b>71,889</b>
<b>Depreciation and impairment</b>					
At start of year	-	5,909	-	1,180	<b>7,089</b>
Charge for the year	-	1,434	-	154	<b>1,588</b>
<b>At end of year</b>	<b>-</b>	<b>7,343</b>	<b>-</b>	<b>1,334</b>	<b>8,677</b>
<b>Net book value</b>					
<b>At end of year</b>	<b>-</b>	<b>62,472</b>	<b>-</b>	<b>740</b>	<b>63,212</b>
At start of year	30,507	23,941	-	140	<b>54,588</b>

The above includes:

£0k (2016:£0k) of plant and machinery held under finance leases.

£0k (2016:£0k) of fixtures and fittings held under finance leases.

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



**Exeter College**  
**Notes to the financial statements**  
**For the year ended 31 July 2017**

**10 PROPERTY INVESTMENTS**

Group	Agricultural £'000	Commercial £'000	Other £'000	2017 Total £'000	2016 Total £'000
Valuation at start of year	12,138	-	6,900	19,038	20,609
Additions and improvements at cost	-	-	-	-	3
Disposals	-	-	-	-	(2,324)
Revaluation gains/(losses) in the year	500	-	10	510	750
<b>Valuation at end of year</b>	<b>12,638</b>	<b>-</b>	<b>6,910</b>	<b>19,548</b>	<b>19,038</b>
<b>College</b>	<b>Agricultural £'000</b>	<b>Commercial £'000</b>	<b>Other £'000</b>	<b>2017 Total £'000</b>	<b>2016 Total £'000</b>
Valuation at start of year	9,383	-	6,900	16,283	16,150
Additions and improvements at cost	-	-	-	-	-
Disposals	-	-	-	-	(316)
Revaluation gains/(losses) in the year	500	-	10	510	449
<b>Valuation at end of year</b>	<b>9,883</b>	<b>-</b>	<b>6,910</b>	<b>16,793</b>	<b>16,283</b>

A formal valuation of the agricultural and other properties was prepared by Savills, the College Land Agent as at 31 July 2017, the basis of the valuation being open market value as defined by the RICS Appraisal and Valuation Manual.

**11 OTHER INVESTMENTS**

All investments are held at fair value.

	2017 £'000	2016 £'000
<b>Group investments</b>		
Valuation at start of year	49,469	44,501
New money invested	5,668	13,906
Amounts withdrawn	(10,071)	(12,586)
(Decrease)/increase in value of investments	5,235	3,648
<b>Group investments at end of year</b>	<b>50,301</b>	<b>49,469</b>
Investment in subsidiaries	3,029	2,983
<b>College investments at end of year</b>	<b>53,330</b>	<b>52,452</b>

Group investments comprise:	Held outside the UK £'000	Held in the UK £'000	2017 Total £'000	Held outside the UK £'000	Held in the UK £'000	2016 Total £'000
Equity investments	16,669	14,101	30,770	12,124	13,318	25,442
Global multi-asset funds	7,533	987	8,520	8,540	1,986	10,526
Property funds	-	2,616	2,616	-	2,681	2,681
Fixed interest stocks	1,369	2,347	3,716	3,825	-	3,825
Fixed term deposits and cash	-	4,679	4,679	-	6,995	6,995
<b>Total group investments</b>	<b>25,571</b>	<b>24,730</b>	<b>50,301</b>	<b>24,489</b>	<b>24,980</b>	<b>49,469</b>

**Exeter College**  
**Notes to the financial statements**  
**For the year ended 31 July 2017**

**12 PARENT AND SUBSIDIARY UNDERTAKINGS**

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

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

	Exeter College £'000	Exeter College Trading Limited £'000	Collexoncotoo Limited £'000	Yew Tree Hill Development Company £'000
Income	11,581	419	9,597	-
Expenditure	(6,221)	(396)	(9,412)	(4)
Donation to College under gift aid	-	(23)	(185)	105
Result for the year	5,360	-	-	101
Total assets	143,705	445	6,334	3,115
Total liabilities	(19,909)	(445)	(6,323)	(87)
Net funds at the end of year	123,796	-	11	3,028

**13 STATEMENT OF INVESTMENT TOTAL RETURN**

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

	Trust for Investment £'000	Permanent Endowment Unapplied Total Return £'000	Total £'000	Expendable Endowment £'000	Total Endowments £'000
<b>At the beginning of the year:</b>					
Gift component of the permanent endowment	15,243	-	15,243	-	15,243
Unapplied total return	-	12,209	12,209	-	12,209
Expendable endowment	-	-	-	41,281	41,281
<b>Total Endowments</b>	<b>15,243</b>	<b>12,209</b>	<b>27,452</b>	<b>41,281</b>	<b>68,733</b>
<b>Movements in the reporting period:</b>					
Gift of endowment funds	1	-	1	318	319
Investment return: total investment income	-	350	350	531	881
Investment return: realised and unrealised gains and losses	-	2,284	2,284	3,461	5,745
Less: Investment management costs	-	(239)	(239)	(362)	(601)
Other transfers	-	-	-	-	-
<b>Total</b>	<b>1</b>	<b>2,395</b>	<b>2,396</b>	<b>3,948</b>	<b>6,344</b>
Unapplied total return allocated to income in the reporting period	-	(873)	(873)	(1,322)	(2,195)
Expendable endowments transferred to income	-	-	-	(2,761)	(2,761)
	-	(873)	(873)	(4,083)	(4,956)
<b>Net movements in reporting period</b>	<b>1</b>	<b>1,522</b>	<b>1,523</b>	<b>(135)</b>	<b>1,388</b>
<b>At end of the reporting period:</b>					
Gift component of the permanent endowment	15,244	-	15,244	-	15,244
Unapplied total return	-	13,731	13,731	-	13,731
Expendable endowment	-	-	-	41,146	41,146
<b>Total Endowments</b>	<b>15,244</b>	<b>13,731</b>	<b>28,975</b>	<b>41,146</b>	<b>70,121</b>

**14 DEBTORS**

	2017 Group £'000	2016 Group £'000	2017 College £'000	2016 College £'000
<b>Amounts falling due within one year:</b>				
Trade debtors	429	897	383	242
Provision for bad debt	(37)	(24)	(37)	(24)
Taxation and social security	-	460	-	-
Prepayments and accrued income	696	1,053	655	1,053
Other debtors	56	21	55	21
<b>Amounts falling due after more than one year:</b>				
Loans	-	-	-	-
	<b>1,144</b>	<b>2,407</b>	<b>1,056</b>	<b>1,292</b>

**Exeter College**  
**Notes to the financial statements**  
**For the year ended 31 July 2017**

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

	<b>2017 Group £'000</b>	<b>2016 Group £'000</b>	<b>2017 College £'000</b>	<b>2016 College £'000</b>
Trade creditors	492	333	462	273
Amounts owed to Group undertakings	-	-	2,170	169
Taxation and social security	80	-	92	27
College contribution	35	50	35	50
Accruals and deferred income	3,285	1,680	519	370
Other creditors	312	324	312	324
	<b>4,204</b>	<b>2,387</b>	<b>3,590</b>	<b>1,213</b>

Deferred income comprises £122,000 for conference deposits, £147,000 for Summer School income and £55,000 for student vacation rent, all income of which relates to the following financial year.

	<b>2017 Group £'000</b>	<b>2016 Group £'000</b>	<b>2017 College £'000</b>	<b>2016 College £'000</b>
Deferred income at start of year	168	52	168	52
Deferred income released in the year	(168)	(52)	(168)	(52)
New income deferred to following year	324	168	324	168
Deferred income at end of year	<b>324</b>	<b>168</b>	<b>324</b>	<b>168</b>

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

	<b>2017 Group £'000</b>	<b>2016 Group £'000</b>	<b>2017 College £'000</b>	<b>2016 College £'000</b>
Bank loans - due in 2-5 years	3,200	250	3,200	250
Bank loans - due in more than 5 years	12,000	12,000	12,000	12,000
	<b>15,200</b>	<b>12,250</b>	<b>15,200</b>	<b>12,250</b>

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

An additional revolving credit facility to enable the College to borrow up to £4m was signed in 2016, as short term funding for the Cohen Quad project. This will be repaid in instalments from the proceeds of a signed pledge which is due to be received over the five years from 2017 to 2021.

The first instalment of £800k was repaid during the year. The loan carries interest at 1% above LIBOR and the maximum term of the loan is five years. Early repayment of the loan can be made without penalty.

**17 PROVISIONS FOR LIABILITIES AND CHARGES**

There were no provisions at the year end.

**Exeter College**  
**Notes to the financial statements**  
**For the year ended 31 July 2017**

**18 ANALYSIS OF MOVEMENTS ON FUNDS**

	At 1 August 2016 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2017 £'000
<b>Endowment Funds - Permanent</b>						
Tuition & Fellowship Support	12,241	156	(107)	(388)	1,018	<b>12,920</b>
Scholarships, Exhibitions, Prizes and Travel Funds	4,492	58	(39)	(143)	375	<b>4,743</b>
Studentships	8,536	109	(74)	(271)	710	<b>9,010</b>
Student Assistance, Bursaries and Hardship	2,030	26	(18)	(65)	169	<b>2,142</b>
Other Funds	153	2	(1)	(5)	13	<b>162</b>
<b>Endowment Funds - Expendable</b>						
Tuition & Fellowship Support	4,030	1	-	(112)	335	<b>4,254</b>
Scholarships, Exhibitions, Prizes and Travel Funds	-	-	-	-	-	<b>-</b>
Studentships	1,428	106	-	(48)	128	<b>1,614</b>
Student Assistance, Bursaries and Hardship	2,103	111	-	(61)	184	<b>2,337</b>
Other Funds	361	100	-	(13)	38	<b>486</b>
Exeter College Main Fund	33,359	-	-	(3,681)	2,775	<b>32,453</b>
<b>Total Endowment Funds - College</b>	<b>68,733</b>	<b>669</b>	<b>(239)</b>	<b>(4,787)</b>	<b>5,745</b>	<b>70,121</b>
Endowment funds held by subsidiaries	-	-	-	-	-	-
<b>Total Endowment Funds - Group</b>	<b>68,733</b>	<b>669</b>	<b>(239)</b>	<b>(4,787)</b>	<b>5,745</b>	<b>70,121</b>
<b>Restricted Funds</b>						
Tuition & Fellowship Support	159	350	(857)	501	-	<b>153</b>
Scholarships, Exhibitions, Prizes and Travel Funds	76	30	(32)	30	-	<b>104</b>
Studentships	385	313	(376)	318	-	<b>640</b>
Student Assistance, Bursaries and Hardship	86	35	(138)	126	-	<b>109</b>
Other Funds	3,809	2,285	(69)	(3,106)	-	<b>2,919</b>
<b>Total Restricted Funds - College</b>	<b>4,515</b>	<b>3,013</b>	<b>(1,472)</b>	<b>(2,131)</b>	<b>-</b>	<b>3,925</b>
Restricted funds held by subsidiaries	-	-	-	-	-	-
<b>Total Restricted Funds - Group</b>	<b>4,515</b>	<b>3,013</b>	<b>(1,472)</b>	<b>(2,131)</b>	<b>-</b>	<b>3,925</b>
<b>Unrestricted Funds</b>						
Designated funds						
Fixed Asset Reserve	42,338	-	-	5,674	-	<b>48,012</b>
Other Designated Reserves	1,150	272	(19)	(602)	-	<b>801</b>
General funds	1,508	7,627	(10,240)	2,036	4	<b>935</b>
<b>Total Unrestricted Funds - College</b>	<b>44,996</b>	<b>7,899</b>	<b>(10,259)</b>	<b>7,108</b>	<b>4</b>	<b>49,748</b>
Unrestricted funds held by subsidiaries	10	-	-	-	-	<b>10</b>
Consolidation adj on Construction Contract with Sub	(484)	-	-	(190)	-	<b>(674)</b>
<b>Total Unrestricted Funds - Group</b>	<b>44,522</b>	<b>7,899</b>	<b>(10,259)</b>	<b>6,918</b>	<b>4</b>	<b>49,084</b>
<b>Total Funds</b>	<b>117,770</b>	<b>11,581</b>	<b>(11,970)</b>	<b>-</b>	<b>5,749</b>	<b>123,130</b>
<b>Transfers Detail</b>	<b>Unrestricted funds</b>	<b>Designated funds</b>	<b>Restricted funds</b>	<b>Permanent Endowment</b>	<b>Expendable Endowment</b>	<b>Total</b>
Transfer for investment total return	1,039	-	992	(872)	(1,159)	-
Removal of restriction on CQ/other imm funds	3,123	-	(3,123)	-	-	-
Additional transfer from endowment	2,756	-	-	-	(2,756)	-
Designation in year	(5,072)	5,072	-	-	-	-
<b>Total</b>	<b>1,846</b>	<b>5,072</b>	<b>(2,131)</b>	<b>(872)</b>	<b>(3,915)</b>	<b>-</b>

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

**19 FUNDS OF THE COLLEGE DETAILS**

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

**Endowment Funds - Permanent:**

Tuition & Fellowship Support	A total of thirteen Trust Funds where the income can be spent on Fellowship support in specific subject areas, but the the original capital cannot be spent.
Scholarships, Exhibitions, Prizes and Travel Funds	A total of six Trust Funds where the income can be spent on student scholarships, exhibitions, prizes and travel funds. The original capital cannot be spent.
Studentships	A total of 11 Trust Funds, the purpose of which is to pay a contribution towards, or all, of the University and College fees together with a maintenance grant. Each Fund specifies the subject area and academic achievements needed for each award. The original capital cannot be spent.
Student Assistance, Bursaries and Hardship	A total of four Trust Funds, the income of which is to provide financial assistance to undergraduates and/or graduates dependent upon their financial need. The capital cannot be spent.
Other Funds	Three Trust Funds for specific purposes of the College. The capital cannot be spent.

**Endowment Funds - Expendable:**

Tuition & Fellowship Support	A total of five Trust Funds where the income and capital, if required, can be spent on Fellowship support in specific subject areas.
Studentships	Two Trust Funds, the purpose of which is to pay a contribution towards, or all, of the University and College fees together with a maintenance grant for a graduate student. The income and capital is to be spent.
Student Assistance, Bursaries and Hardship	Six Trust Funds providing financial assistance to undergraduate and graduate students. Both the income and capital can be spent.
Other Funds	Three Trust Funds for various purposes where both the income and capital can be spent on the restricted purpose of the Fund.
Exeter College Main Fund	This Fund represents donations accumulated over many decades and current policy is to invest it over the long term future of the College. Both income and capital can be spent on the general educational purposes of the College.

**Restricted Funds:**

Tuition & Fellowship Support	A consolidation of gifts and donations where both income and capital can be used for tuition and fellowship support. Income generated from endowment is allocated to these funds and, if not spent, is available in future years.
Scholarships, Exhibitions, Prizes and Travel Funds	A consolidation of gifts and donations where both income and capital can be used for scholarships and exhibitions. Income generated from endowment is allocated to these funds and, if not spent, is available for future years.
Student Assistance, Bursaries and Hardship	A consolidation of gifts and donations where both income and capital can be used for student assistance and hardship. Income generated from endowment is also allocated to these funds and, if not spent, is available for future years.
Other Funds	A consolidation of gifts and donations where both income and capital can be spent on various restricted purposes.

**Designated Funds**

Fixed asset designated	Unrestricted Funds which are represented by the fixed assets of the College and therefore not available for expenditure on the College's general purposes
General designated reserve	Unrestricted Funds allocated by the Fellows for future costs of specific projects.

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

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**20 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2017 Total £'000
Tangible fixed assets	62,539	-	-	<b>62,539</b>
Borrowings on acquisition of fixed assets	(15,200)	-	-	<b>(15,200)</b>
Property investments	-	-	19,548	<b>19,548</b>
Other investments	-	-	50,301	<b>50,301</b>
Net current assets (including pension provision)	1,745	3,925	272	<b>5,942</b>
	<b>49,084</b>	<b>3,925</b>	<b>70,121</b>	<b>123,130</b>
	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2016 Total £'000
Tangible fixed assets	54,103	-	-	<b>54,103</b>
Borrowings on acquisition of fixed assets	(12,250)	-	-	<b>(12,250)</b>
Property investments	-	-	19,038	<b>19,038</b>
Other investments	-	-	49,469	<b>49,469</b>
Net current assets (including pension provision)	2,669	4,515	226	<b>7,410</b>
	<b>44,522</b>	<b>4,515</b>	<b>68,733</b>	<b>117,770</b>

**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.

Trustees of the college fall into the following categories:

Rector  
 Professorial Fellow  
 Official Fellow  
 Fellow by Special Election  
 Research Fellow

No trustee receives any remuneration for acting as a trustee. However, those trustees who are also employees of the college receive salaries for their work as employees. These salaries are paid on external academic and academic-related scales and often are joint arrangements with the University of Oxford. 23 Official Fellows are on a joint appointment with the University of Oxford. The remuneration disclosure below relates to remuneration that is paid by the College.

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

Some trustees receive additional allowances for additional work carried out as part time college officers, for example, the Sub-Rector, Computing Fellow and Fellow Librarian. These amounts are included within the remuneration figures below.  
 The total remuneration and taxable benefits as shown below is £1,110,620 (2016: £1,149,806).  
 The total of pension contributions is £180,790 (2016: £169,744).

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

The College has a Remuneration Committee which makes recommendations to Governing Body on pay and benefits which are outside of external scales. The composition of the Remuneration Committee is set out in p.8 of the section, Governing Body, Officers and Advisers.

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**Remuneration paid to trustees**

Range	2017		2016	
	Number of Trustees/Fellows	Gross remuneration, taxable benefits and pension contributions £	Number of Trustees/Fellows	Gross remuneration, taxable benefits and pension contributions £
£0 - £1,000	0	-	1	700
£1,000 - £2,000	0	-	1	1,414
£2,000-£2,999	1	2,516	0	-
£3,000-£3,998	1	3,588	2	7,385
£4,000-£4,999	1	4,669	1	4,616
£6,000-£6,999	1	6,747	0	-
£9,000-£9,999	0	-	3	28,593
£10,000-£10,999	1	10,299	0	-
£12,000-£12,999	0	-	0	-
£14,000-£14,999	1	14,460	0	-
£15,000-£15,999	0	-	1	15,544
£19,000-£19,999	0	-	1	19,895
£20,000-£20,999	0	-	1	20,582
£21,000-£21,999	9	194,559	6	129,019
£22,000-£22,999	2	44,533	1	22,836
£23,000-£23,999	0	-	1	23,492
£24,000-£24,999	0	-	2	49,021
£25,000-£25,999	1	25,893	1	25,551
£26,000-£26,999	0	-	1	26,392
£28,000-£28,999	1	28,904	0	-
£29,000-£29,999	0	-	2	59,836
£35,000-£35,999	1	35,432	1	35,924
£37,000-£37,999	2	75,164	0	-
£42,000-£42,999	0	-	1	42,543
£43,000-£43,999	1	43,502	1	43,342
£45,000-£45,999	1	45,768	2	90,853
£46,000-£46,999	2	93,209	0	-
£47,000-£47,999	1	47,096	0	-
£49,000-£49,999	0	-	1	49,810
£52,000-£52,999	1	52,153	2	105,638
£53,000-£53,999	2	107,246	1	53,411
£54,000-£54,999	2	109,269	0	-
£55,000-£55,999	0	-	1	55,396
£64,000-£64,999	0	-	1	64,413
£76,000-£76,999	1	76,731	0	-
£78,000-£78,999	0	-	1	78,678
£80,000-£80,999	0	-	2	161,229
£82,000-£82,999	2	165,097	0	-
£103,000-£103,999	1	104,575	1	103,437
<b>Total</b>	<b>36</b>	<b>1,291,410</b>	<b>40</b>	<b>1,319,550</b>

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

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

**Other transactions with trustees**

Total expenses of £34,977 were paid to 30 trustees (2016: £27,647 to 32 trustees). Of this total, £8,907 (2016: £2,147) was reimbursed travel costs, £17,045 (2016: £19,490) was reimbursed book, research and entertainment allowances and £9,025 (2016: £6,010) was other minor general expenditure incurred in their capacity as a Fellow of the College.

See also note 28 Related Party Transactions

**Key management remuneration**

Excluding amounts paid to the trustees, the total remuneration paid to key management was £180k (2016: £173k).

Key management are considered to be the Trustees plus the College Accountant, Deputy Bursar and Academic Registrar.

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**22 PENSION SCHEMES**

The College participates in the Universities Superannuation Scheme ("the USS") and the University of Oxford Staff Pension Scheme ("the OSPS") on behalf of its staff. Both schemes are contributory defined benefit schemes (i.e. they provide benefits based on length of service and pensionable salary). The assets of USS and OSPS are each held in separate trustee-administered funds.

Both schemes are multi-employer schemes and the College is unable to identify its share of the underlying assets and liabilities of each scheme on a consistent and reasonable basis. Therefore, as required by FRS 102, the College accounts for the schemes as if they were defined contribution schemes.

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

**Actuarial Valuations**

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

	USS	OSPS
Date of valuation	31/03/2014	31/03/2016
Date valuation results published	24/07/2015	28/04/2017
Value of liabilities	£46.9bn	£661m
Value of assets	£41.6bn	£528m
Funding (deficit)	(£5.3bn) <sup>a</sup>	(£133m) <sup>b</sup>
Principal assumptions:		
-Investment return	5.2%pa <sup>c</sup>	-
-Rate of interest (periods up to retirement)	-	'gilts'+1.2%pa
-Rate of interest (periods after retirement)	-	'gilts'+1.2%pa
-Rate of increase in salaries	RPI+1%pa	RPI+1%pa
-Rate of increase in pensions	CPIpa	Average RPI/CPIpa
Mortality assumptions:		
-Assumed life expectancy at age 65 (males)	24.2 yrs	22.4 yrs
-Assumed life expectancy at age 65 (females)	26.3 yrs	24.7 yrs
Funding ratios:		
-Technical provisions basis	89%	80%
-Statutory Pension Protection Fund basis	82%	67%
-Buy-out basis	54%	42%
-Estimated FRS 102 Totalm Funding level	77%	82%
Recommended Employer's contribution rate (as a % of pensionable salaries)	18%	23% decreasing to 19% from 01/08/2017
Effective date of next valuation	31/03/2017	31/03/2019

**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:

USS		
Assumption	Change in assumption	Impact on USS liabilities
Initial discount rate	Increase / reduced by 0.25%	decrease / increase by £0.8bn
Discount rate in 20 years' time	Increase / reduced by 0.25%	decrease / increase by £1.1bn
RPI inflation	increase/decrease by 0.1%	increase / decrease by £0.8bn
Rate of mortality	more prudent assumption (mortality used at last valuation, rated down by a further year)	increase by £0.5bn

  

OSPS		
Assumption	Change in assumption	Impact on OSPS technical provisions (from 80% funded at 31/03/2016)
Valuation rate of interest	Increase / decrease by 1%	68%
Rate of pension increases	Increase / reduced by 1%	69%
Life expectancy	more prudent assumption (life expectancy increases by 3 years)	72%



#### Universities Superannuation Scheme

The pension charge for the year includes £368k (2016: £242k) in relation to the USS. This represents contributions of £325k payable to the USS (2016: £287k) as adjusted by the change in the deficit funding liability between the opening and closing balance sheet dates of £43k (2016: -45k).

<sup>a</sup> USS's actuarial valuation as at 31 March 2014 takes into account the revised benefit structure effective 1 April 2016 agreed both by the Joint Negotiating Committee and the Trustee in July 2015 following the Employers' consultation which concluded in June 2015. Key changes agreed include: for Final Salary section members, the benefits built up to 31 March 2016 will be calculated as at that date using pensionable salary and pensionable service immediately prior to that date and going forwards will be valued in line with increases in official pensions (currently CPI); all members will accrue a pension of 1/75th and a cash lump sum of 3/75ths of salary each year of service in respect of salary up to a salary threshold, initially £55,000 p.a. with the threshold applying from 1 October 2016; member contributions will be 8% of salary; a defined contribution benefit for salary in excess of the salary threshold at the total level of 20% (8% employee, 12% employer) of salary in excess of the salary threshold; and optional additional contributions payable into the defined contribution section from 1 October 2016 of which the first 1% of salary is to be matched by employer contributions. Further details about the changes may be reviewed on USS' website, [www.uss.co.uk](http://www.uss.co.uk). For the period up to 1 April 2016 the employer deficit contribution was 0.7% p.a. of salaries based on the assumptions made. After allowing for those changes, the actuary established a long term employer contribution rate of 18% pa of salaries for the period from 1 April 2016 to 31 March 2031. On the assumptions made and with the salary threshold and defined contribution section implemented this gives rise to deficit contributions of at least 2.1% p.a. of salaries. At 31 March 2016 USS reported that the funding deficit was £10.0 bn (83% funded). The valuation at 31 March 2017 is underway.

<sup>c</sup> USS' actuary has assumed that the investment return is 5.2% in year 1, decreasing linearly to 4.7% over 20 years. USS' actuary has assumed that general pay growth will be CPI in year 1, CPI + 1% in year 2 and RPI + 1% pa thereafter. It is assumed that CPI is based on the RPI assumption (market derived price inflation of 3.6% p.a. less an inflation risk premium) less RPI/CPI gap of 0.8% p.a. As noted above the USS employer contribution rate is 18% of salaries from 1 April 2016. Prior to that date it was 16% of salaries. The total employer contributions include provisions for the cost of future accrual of defined benefits (DB) (net of member contributions to the DB section), deficit contributions, administrative expenses of 0.4% of salaries and from the implementation of the salary threshold the employer contribution towards defined contribution benefits including employer matching contributions and certain investment management costs relating to the DC section.

A provision of £515k has been made at 31 July 2017 (2016 - £471k) for the present value of the estimated future deficit funding element of the contributions payable under this agreement. In determining the level of this provision it has been assumed that the College will continue to have a constant level of employee participation in this scheme and that the relevant earnings of these employees will increase in line with the actuary's projected long-term salary rate increases.

A copy of the full actuarial valuation report and other further details on the scheme are available on the USS website [www.uss.co.uk](http://www.uss.co.uk)

#### University of Oxford Staff Pension Scheme

The pension charge for the year includes £99k (2016 - £240k) in relation to the OSPS. This represents contributions of £306k (2016: £263k) payable to the OSPS as adjusted by the change in the deficit funding liability between the opening and closing balance sheet dates of -£207k (2016: -£23k).

<sup>b</sup> OSPS' actuarial valuation as at 31 March 2016 identified a required long-term employer contribution rate of 17.3% of total pensionable salaries with a funding deficit of £133m. The valuation results reflect a number of changes to benefits that were agreed following an Employers' consultation in early 2017, including from 1 April 2017 a change in indexation based on the average of RPI and CPI, from 1 October 2017 a defined contribution section for new entrants and from 1 April 2018 breaking the final salary link for certain members and increased employee contributions. The actuary has certified that the recovery plan should eliminate the deficit by 30 June 2027. The next triennial valuation is due with an effective date of 31 March 2019.

The OSPS employer contribution rate required for future service benefits in the defined benefit section alone is 17.3% of total pensionable salaries from 1 April 2018. The employer contribution rate was 23% from 1 August 2016 to 31 July 2017. It was agreed that employer contribution rate would be 19% for both defined benefits members and defined contribution members who join on or after 1 October 2017. Part of the contribution for defined contribution members would be paid to the defined benefit section to cover the deficit recovery plan, the provision of ill-health and death-in-service benefits and the expenses of administering the defined contribution section.

A provision of £479k has been made at 31 July 2017 (2016 - £687k) for the present value of the estimated future deficit funding element of the contributions payable under this agreement. In determining the level of this provision it has been assumed that the College will continue to have a constant level of employee participation in this scheme and that the relevant earnings of these employees will increase in line with the actuary's projected long-term salary rate increases.

A copy of the full actuarial valuation report and other further details on the scheme are available on the University of Oxford website <http://www.admin.ox.ac.uk/finance/epp/pensions/schemes/osps/>.

#### Deficit Recovery Plans

As noted above, the College has recognised a liability for the contributions payable for the agreed deficit funding plans for USS and OSPS, in line with FRS102. The principle assumptions used in these calculations are tabled below.

	USS	OSPS
Finish date for the deficit recovery plan	31/03/2031	30/06/2027
Average staff number increase	0%	0%
Average staff salary increase	1.5-2%	2%
Average discount rate over period	1.9%	1.55%
Effect of a 0.5% decrease in discount rate	£19k	£15k
Effect of a 1% increase in staff growth	£39k	£77k

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**Pension charge for the year**

The pension charge recorded by the College during the accounting period was equal to the contributions payable after allowance for the deficit recovery plan as follows:

Scheme	2017	2016
	£'000s	£'000s
Universities Superannuation Scheme	368	242
University of Oxford Staff Pension Scheme	99	240
Other schemes – contributions	1	3
<b>Total</b>	<b>468</b>	<b>485</b>

**Defined benefit pension scheme liability**

The total provision below includes the balance for USS and OSPS, and additionally there is a provision in respect of pension liabilities for pensions payable to ex-employees of the College and not funded through external pension schemes.

Scheme	2017	2016
	£'000s	£'000s
Universities Superannuation Scheme (USS)	515	471
University of Oxford Staff Pension Scheme (OSPS)	479	687
Provision for three ex-employee pensions	125	125
<b>Total</b>	<b>1,119</b>	<b>1,283</b>

Included in other creditors and accruals are pension contributions payable of £nil (2016: £nil).

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

**24 FINANCIAL INSTRUMENTS**

The financial statements include the following in respect of items held at fair value:

	2017			2016		
	Income £'000	Expense £'000	Gains / (losses) £'000	Income £'000	Expense £'000	Gains / (losses) £'000
<b>Financial assets measured at fair value through profit or loss</b>	<b>477</b>	<b>-</b>	<b>5,235</b>	<b>520</b>	<b>-</b>	<b>3,648</b>

	2017 Group £'000	2016 Group £'000	2017 College £'000	2016 College £'000
<b>Financial assets that are debt instruments measured at amortised cost</b>				
Trade debtors	392	873	346	218
Accrued income	639	1,021	598	1,021
Other debtors	56	21	55	21
	<b>1,087</b>	<b>1,915</b>	<b>999</b>	<b>1,260</b>

<b>Financial liabilities measured at amortised cost</b>				
Bank loan - including due in more than one year	15,200	12,250	15,200	12,250
Trade creditors	492	333	462	273
Accruals	2,996	1,562	230	252
Other creditors	312	324	312	324
	<b>19,000</b>	<b>14,469</b>	<b>16,204</b>	<b>13,099</b>

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

	2017 Group £'000	2016 Group £'000
<b>Net income/(expenditure)</b>	<b>5,360</b>	<b>3,749</b>
Elimination of non-operating cash flows:		
Investment income	(1,128)	(1,126)
(Gains)/losses in investments	(5,745)	(4,397)
Endowment donations	(319)	(51)
Depreciation	1,588	615
(Surplus)/loss on sale of fixed assets	(5)	-
Decrease/(Increase) in stock	-	17
Decrease/(Increase) in debtors	1,266	3,061
(Decrease)/Increase in creditors	1,819	367
(Decrease)/Increase in pension scheme liability	(164)	(68)
<b>Net cash provided by (used in) operating activities</b>	<b>2,672</b>	<b>2,167</b>

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**26 ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2017 £'000	2016 £'000
Cash at bank and in hand	10,033	8,584
Notice deposits (less than 3 months)	-	-
Bank overdrafts	-	-
<b>Total cash and cash equivalents</b>	<b>10,033</b>	<b>8,584</b>

**27 FINANCIAL COMMITMENTS**

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

	2017 £'000	2016 £'000
<b>Land and buildings</b>		
falling due within one year	-	-
falling due between two and five years	-	-
falling due in over five years	-	-
<b>Other</b>		
falling due within one year	1	1
falling due between two and five years	-	-
falling due in over five years	-	-
	<b>1</b>	<b>1</b>

**28 CAPITAL COMMITMENTS**

The College had contracted commitments at 31 July for future capital projects totalling £335,003 (2016 - £5,016,423).

**29 RELATED PARTY TRANSACTIONS**

The College is part of the collegiate University of Oxford. Material interdependencies between the University and of the College arise as a consequence of this relationship. For reporting purposes, the University and the other Colleges are not treated as related parties as defined in FRS 102

Members of the Governing Body, who are the trustees of the College and related parties as defined by FRS 102, receive remuneration and facilities as employees of the College. Details of these payments and reimbursed expenses as trustees are disclosed separately in these financial statements.

**30 CONTINGENT LIABILITIES**

There were no contingent liabilities at 31 July 2017.

**31 POST BALANCE SHEET EVENTS**

On 8 August 2016, the College's wholly owned subsidiary Exeter College Yew Tree Hill Development Company Ltd, exchanged contracts with Taylor Wimpey to sell land held at Yew Tree Village, Droitwich. The asset value of this land is held in the College's consolidated accounts as a Property Investment at market value of £2,754,822 at 31 July 2016 and 31 July 2017. Completion took place in September 2017 after certain contractual conditions were met. The transaction will be accounted for in the 2017/18 financial statements as a sale of investment property.