

# Keble College

Annual Report and Financial Statements

Year ended 31 July 2019

**KEBLE COLLEGE**  
**Annual Report and Financial Statements**  
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## KEBLE COLLEGE

### Governing Body, Officers and Advisers

Year ended 31 July 2019

#### MEMBERS OF THE GOVERNING BODY

The Members of the Governing Body are the College's charity trustees under charity law. The Governing Body determines the ongoing strategic direction of the College and regulates its administration and the management of its finances and assets. It is served by five principal committees:

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

The members of the Governing Body who served in office as Governors during the 2018-19 year or subsequently, and the membership of the five principal committees, are detailed below. In addition the Governing Body, the Finance Committee and the Academic Committee have non-voting student representatives.

		(1)	(2)	(3)	(4)	(5)
Sir Jonathan Phillips	Warden	•	•	•	•	•
Mr RJ Boden	Bursar	•	•		•	•
Dr AP Rogers	Senior Tutor			•		
Ms J Tudge	Director of Development				•	
Prof HL Anderson	Professorial Fellow					
Dr S Apetrei	Fixed Term Fellow in Theology					
Dr IW Archer	Fellow & Tutor in Modern History		•	•	•	
Dr LM Bendall	Fellow & Tutor in Archaeology and Anthropology					
Dr M Bevis	Fellow & Tutor in English			•		
Prof M Bockmuehl	Professorial Fellow	•				
Prof C Bountra	Professorial Fellows (from 21.4.19)					
Dr S Butt	Fellow & Tutor in Neurophysiology			•		
Prof H Byrne	Fellow & Tutor in Mathematics					
Prof SA Cameron	Fellow & Tutor in Computer Science (to 15 April 2019)		•			
Prof F Caron	Fellow & Tutor in Statistics	•				
Prof G-Q Chen	Professorial Fellow					
Dr M Clarke	Fellow & Tutor in Social Anthropology					
Prof U Coope	Professorial Fellow					
Prof B Cuenca-Grau	Fellow and Tutor in Computer Science					
Revd Nevsky Everett	Chaplain					
Prof S Faulkner	Fellow & Tutor in Inorganic Chemistry					
Dr J Fix	Fellow and Tutor in Philosophy					
Prof S Fletcher	Fellow & Tutor in Chemistry			•		
Prof N Gardini	Fellow & Tutor in Italian					
Prof C Gosden	Professorial Fellow					
Dr J Goudkamp	Fellow & Tutor in Law			•		
Dr B Greenhough	Fellow & Tutor in Geography	•				
Dr U Gruneberg	Fellow & Tutor in Exp. Pathology			•		
Dr ERF Harcourt	Fellow & Tutor in Philosophy				•	
Dr MN Hawcroft	Fellow & Tutor in French					
Prof A Hawkins	Fellow by Special Election	•			•	
Prof D Jaksch	Fellow & Tutor in Physics					
Prof TJ Jenkinson	Professorial Fellow		•			
Prof A Juhasz	Fellow & Tutor in Mathematics			•		
Prof SE Kearsey	Fellow & Tutor in Biology					
Prof R Klose	Professorial Fellow					
Dr F Leach	Fellow & Tutor in Engineering Science (from 1.1.19)					
Prof A Lvovsky	Fellow & Tutor in Physics					
Prof V Mayer-Schonberger	Professorial Fellow				•	

## KEBLE COLLEGE

### Governing Body, Officers and Advisers

Year ended 31 July 2019

Dr D McDermott	Fellow & Tutor in Politics					
Dr A-MS Misra	Fellow & Tutor in Modern History					
Prof P Newman	Professorial Fellow					
Prof S Payne	Fellow & Tutor in Engineering Science, Deputy Bursar and Sub-Warden	•	•			
Prof WE Peel	Fellow & Tutor in Jurisprudence					
Prof D Purkiss	Fellow & Tutor in English Language & Literature					
Prof S Rayner	Professorial Fellow				•	
Prof G Reinert	Professorial Fellow					
Dr K Sheppard	Fellow & Tutor in Economics					
Dr H Smith	Fellow & Tutor in Economics	•				
Dr K Soonawalla	Fellow & Tutor in Management			•		
Prof J Tomlinson	Professorial Fellow					
Prof R Washington	Fellow & Tutor in Geography					
Prof S Whatmore	Professorial Fellow					

Non-Trustee Committee Members		(1)	(2)	(3)	(4)	(5)
Mr S Barnes	External				•	
Mr J Buchanan	External					•
Mr M Chambers	External		•			
Mr A Dalkin	External					•
Ms H Harrison	External					•
Mr R Jolliffe	External		•			
Dr H Jones	Fellow by Special Election		•			
Mr M Jones	External		•			
Mr G Kerr	Fellow by Special Election	•				
Ms Y Murphy	Librarian			•		
Ms J Newbury	External					•
Mr G Robinson	External		•			
Mr J Church	External					•

### COLLEGE SENIOR STAFF

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

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

#### AUDITOR

Critchleys Audit LLP  
23-38 Hythe Bridge Street  
Oxford  
OX1 2EP

#### INVESTMENT MANAGER

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

#### COLLEGE ADDRESS

Keble College  
Parks Road  
Oxford  
OX1 3PG

#### BANKERS

Handelsbanken  
Seacourt Tower  
West Way  
Oxford  
OX2 0JJ

#### SOLICITORS

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

#### WEBSITE

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

## **KEBLE COLLEGE**

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

The Members of the Governing Body present their Annual Report for the year ended 31 July 2019 under the Charities Act 2011 together with the audited financial statements for the year.

#### **REFERENCE AND ADMINISTRATIVE INFORMATION**

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

The College is registered with the Charity Commission (registered number 1143997). The names of all Members of the Governing Body at the date of this report and of those in office during the year, together with details of the senior staff and advisers of the College, are given on pages 2 to 3.

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

##### **Governing documents**

The College was incorporated by Royal Charter dated 6 June 1870. The Charter of Incorporation was modified by a Supplemental Charter dated 7 April 1902, and subsequently by Statutes made by the University of Oxford Commissioners on 14 July 1925, under the provisions of the Universities of Oxford and Cambridge Act, 1923. The Charter of Incorporation and the Statutes of 1925 were further amended in 1952 and further modified by subsequent amendments. The current Statutes were approved by Her Majesty in Council on 10<sup>th</sup> February 2016.

##### **Governing Body**

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

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

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

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

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

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

Members of the Governing Body receive no remuneration or benefits from their role as College trustees. Those trustees who are also employees of the College receive remuneration for their work as employees of the College which is set based on the advice of the College's Remuneration Committee. The Committee when complete consists of five individuals, none of whom may be either trustees or employees of the College. Remuneration for trustees who are teaching or research fellows is set in line with that awarded to the University's academic staff. Remuneration for trustees who are full-time administrators is set at an appropriate point on the College's salary scale based on a full job evaluation and reference to comparable posts elsewhere.

The remuneration of senior college staff is set by the College's Pay and Benefits Committee at an appropriate point on the College's salary scale based on a full job evaluation and reference to comparable posts elsewhere.

## **KEBLE COLLEGE**

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

#### **The management of the College**

The Governing Body meets 9 times a year. The work of developing College policy and monitoring implementation is carried out by 15 standing committees and any temporary working groups the Governing Body deems it expedient to create. The 15 standing committees are:

- *Finance Committee*  
Oversees all matters of financial policy and practice, and in particular the financial implications of any proposals under consideration. Reviews and makes recommendations concerning annual statements of accounts for the preceding year, budgets and management accounts, College charges, trading activities, IT provision, salary policy and investment recommendations from the Investment Advisory Committee.
- *Investment Advisory Committee*  
Provides advice to Governing Body, through Finance Committee, on the investments of the College and the appropriate level of income drawdown.
- *Academic Committee*  
Oversees planning in academic matters and the level and quality of academic provision and library services to junior members. Monitors the appropriateness of the existing establishment of Tutors and Lecturers in relation to the academic needs of the College. Considers and makes recommendations on advice from the Research Committee concerning the use of funds available for the purpose of research.
- *Development Committee*  
Oversees the activities of the development office, which is responsible for alumni relations and fundraising.
- *Remuneration Committee*  
The Remuneration Committee is responsible for reviewing and approving the pay and benefits of members of the Governing Body. Its members are all external, with the Warden and Bursar in attendance (except for items relating to their remuneration). It considers any recommendations on the pay and benefits of trustees put forward by the Governing Body. These it may either approve or refer back to Governing Body with a recommendation that the proposed pay and benefits be reconsidered with a view to their being reduced.
- *Pay and Benefits Committee*  
Conducts an annual review of pay and benefits of employees, within a financial framework set by Finance Committee. Makes recommendations on policy to Finance Committee.
- *Research Committee*  
Monitors and co-ordinates research activities within the College and makes recommendations on the distribution of College research funds and the appointment of research visitors and associates.
- *Fellowships Committee*  
Advises on nominations to honorary and emeritus fellowships and fellowships by special election.
- *Student Support Committee*  
Makes recommendations concerning the overall level of student support. Considers and makes awards in response to individual applications for support.
- *Advowsons Committee*  
Oversees the College's patronage of 67 Church of England parishes throughout the UK and makes recommendations on the application of income from the Harlow Trust, Poor Parishes Trust, and Ordinands' Fund.
- *Buildings and Gardens Committee*  
Oversees the maintenance and development of the College's buildings and grounds.
- *Domestic Committee*  
Oversees the provision of board and lodging to College members.
- *Human Resources and Equality Committee*  
Oversees all aspects of HR and Equality policy and implementation.
- *Health and Safety Committee*  
Monitors the College's health and safety record, commissions and reviews an annual independent health and safety audit, and makes policy recommendations.

## **KEBLE COLLEGE**

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

- *Data Protection and Information Security Committee*  
Oversees development and implementation of data protection and information security policies and procedures.

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

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

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

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

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:

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

The Governing Body 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 set out below.

#### **Public benefit**

The College provides, in conjunction with the University of Oxford, an education for some 422 undergraduate and 369 graduate students which is recognised internationally as being of the highest standard. This education develops students academically and enables them to develop their leadership qualities and interpersonal skills, and so prepares them to play full and effective roles in society. In particular, the College provides:

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

The College advances research through:

- providing Research Fellowships, Career Development Fellowships, and Research Associateships to outstanding academics at the early stages of their careers, which enable them to develop and focus on their research in this formative period before they undertake the full teaching and administrative duties of an academic post;

## KEBLE COLLEGE

### Report of the Governing Body

- supporting research work pursued by its Fellows and others through promoting interaction within and across disciplines, granting sabbatical leave to enable them to concentrate on research work, enabling the exchange and dissemination of research ideas, and providing facilities and grants for national and international conferences, research trips and research materials;
- encouraging visits from outstanding academics from abroad; and
- encouraging members of the College to disseminate the results of their research to other academics and the general public through the publication of papers in academic journals and books, through presentations at conferences, through media appearances and press articles and other suitable means.

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

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

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

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

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

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

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

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

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

The College charges the following fees:

- a) College fees, at externally regulated rates, to undergraduates entitled to Student Support and to graduate students; and a fee determined by the College annually to Overseas undergraduates and any Home/EU undergraduates not entitled to Student Support; and
- b) Accommodation and meal charges at reasonable rates.

In order to assist undergraduates entitled to Student Support, there is a comprehensive bursary scheme in place to support students from lower income backgrounds, which is funded by both the University and College. The following is a summary of awards made to Home/EU undergraduates during the year:

*Oxford Bursary (October 2014 starters):* 1 award out of a Home/EU population of 7: 1 award at the maximum of £3,300

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

*Oxford Bursary (October 2015 starters):* 6 awards out of a Home/EU population of 44: 3 awards at the maximum of £4,500: the average value of the awards was £3,667

*Oxford Bursary (October 2016 starters):* 11 awards out of a Home/EU population of 112: 3 awards at the maximum of £3,700: the average value of the awards was £2,164

*Oxford Bursary (October 2017 starters):* 21 awards out of a Home/EU population of 114: 9 awards at the maximum of £3,700: the average value of the awards was £2,436

*Oxford Bursary (October 2018 starters):* 14 awards out of a Home/EU population of 114: 1 award at the maximum of £3,700: the average value of the awards was £1,288

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

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

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

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

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

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

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

### **ACHIEVEMENTS AND PERFORMANCE**

The College's aim is that every undergraduate should leave with a good degree, i.e. a first class or upper second. In 2018-19, 117 of the 125 finalists achieved this goal, 94% of those sitting their final examinations. Of those, 46 were awarded first class degrees. The College continues to work hard to ensure that every student realises their academic ambitions. All Oxford undergraduates also take a qualifying examination in their first year; 32 of the 116 students who sat the First Public Examination were awarded Distinctions. Four undergraduates failed one or more papers but, of those, three went on to pass in the scheduled September re-sits. Excellence in the First Public Examination and sustained excellence in course work is recognised by the award of an undergraduate scholarship. Ninety-five Keble students hold academic scholarships.

The size and shape of Keble's graduate community is changing, particularly with the opening in 2018 of the new graduate centre, the H B Allen Centre. This not only enables the College to provide good accommodation to a growing number of graduates, but it also presents the opportunity to accommodate graduates on modular, part-time courses. Of the 369 graduates in the College, 79 were part-time, mostly undertaking courses in advanced professional qualifications. Among full-time graduates, the majority (54 per cent) are on research degrees (for example DPhil) and the rest are on taught masters, including some professional qualifications (for example, MBA). Thirty-two Keble graduates successfully submitted for DPhils in 2018-19 and a further 18 were awaiting the results of their submission at the end of the academic year. Among those taking taught masters programmes, 55 were awarded either a Merit or a Distinction.

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### Report of the Governing Body

Keble continues to receive a very high number of direct applications for undergraduate degrees, 1,105 in 2018-19, a rise of 10 per cent from the year before. A total of 177 offers were made to these applicants, including 48 at other colleges; in turn, Keble made offers to 26 individuals who had applied to another college. Among UK applicants only, 67 per cent of offers were made to students from maintained schools. For all applications, 18 per cent of offers were made to applicants from outside the UK. Comprehensive statistical data on admission is published by the University as a separate report; selective data is also published in the College's annual equality report. All admissions procedures and outcomes are routinely monitored for equality objectives.

The College continues to play a full part in the University's initiatives to widen undergraduate access. Keble will participate in the new Opportunity Oxford programme, designed to reduce the admission gap between the areas with the highest and lowest participation in higher education. Highlights of the access and outreach programme in 2018-19 include: hosting 50 participants in the UNIQ summer school this year; a two-day residential visit and dinner for 50 students taking part in Target Oxbridge, aimed at applicants from African-Caribbean backgrounds; funding to support attendance at Open Days and for admissions interviews for potential applicants who could not otherwise attend; an Application Information Day run by our student access group, Keble at Large, for students from non-selective state schools; a Taster Day for state school students interested in applying for Geography - to encourage more applications to otherwise under-subscribed subjects; our first Teacher Evening in central Birmingham, to provide information to teachers about Oxbridge and how to best support their students to apply; a partnership with the Access Platform, which will enable current undergraduates to interact with prospective applicants online about University-related matters through a monitored platform for a trial period of 6 months.

The University is also now taking steps to address shortcomings in graduate access. The College provided accommodation for and hosted four potential graduates on the new UNIQ plus residential summer scheme.

## FINANCIAL REVIEW

### Operations, funding and capital expenditure

The charitable activities of the College consist of teaching and research, together with the provision of board and lodging to College members in buildings owned by the College, most of which are Grade 1 or Grade 2\* listed. The income generated by these activities amounted to £8.04m, a £1.58m increase compared with the previous year. The increase is attributable principally to the growth in College residential income as the 255 rooms in the HB Allen Centre were brought into use. The cost of undertaking these charitable activities, net of pension fund deficit reduction provisions, amounted to £10.6m. Thus, the operating deficit from charitable activities was £2.5m, £0.5m smaller than in the prior year. The increase in operating costs is attributable in part to non-recurring exceptional costs relating to delays in the Allen Centre project, including the costs of renting temporary accommodation, rent rebates to students and loss of rental income from commercial tenants.

Funding for the operating deficit comes from three sources: donations, trading income and transfers from the College's endowment.

Donations received by the College totalled £4.9m. The composition of this total was as follows:

	£000s
Unrestricted income gifts	397
Restricted income gifts	912
Gifts for capital projects	1,379
Endowment gifts	2,221
	<hr/>
	4,909

Income from non-charitable conferences and other trading activities amounted to £1.72m against expenditure of £1.5m.

The College manages its endowment for total return and, until August 2015, had applied a spending rule that allowed a transfer of 3.15% of the average closing value of the endowments over the previous three years. For 2015-16, 2016-17 and 2017-18 the spending rule percentage for the majority of funds was increased to 4% in order to offset the dislocation costs associated with the H B Allen Centre project. From the beginning of the 2018-19 financial year the spending rule percentage was revised to 3.5% of the average closing value of the endowments over the previous five years. 2018-19 transfers under the spending rule amounted to £1,337k including £63k for external purposes (the support of Keble parishes). Income gifts, conference surpluses and endowment transfers substantially cover the operating deficit on charitable activities and fund the College's fundraising and alumni relations activities.

Practical completion at the H B Allen Centre was awarded on 2<sup>nd</sup> September 2019 and the Centre was officially opened by H.R.H. The Duke of Cambridge on 3<sup>rd</sup> October. In addition to the 255 units of graduate and academic visitor accommodation,

## **KEBLE COLLEGE**

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

the Centre has 2,087m<sup>2</sup> of office and workshop space which is fully let to four tenants: Oxford Sciences Innovation, the Oxford Robotics Institute, Oxford Investment Consultants and the Centre for Research into Victorian Political Culture.

The project has been funded by private placements totalling £40m at a fixed rate of 3.3% p.a. (of which the final £5m was raised in 2018-19) and £34m of philanthropic gifts, including a £25m capital grant from the H B Allen Trust. Debt financing for the Centre has been structured on a project basis such that the cash flows from the completed development will fully cover both operating costs and debt service. The final account has yet to be settled. The contracted completion date was 1<sup>st</sup> October 2018. Delays for which the contractor was not responsible resulted in the grant of an extension of time to 21<sup>st</sup> December 2018. A request for a further extension of time has been made and is being considered.

In addition to the H B Allen Centre project the College continued its substantial programme of capital improvements, investing £3.55m in a range of projects including the doubling in size of the Hall servery, the renovation of the Hall itself, the final phase of the renewal of the Victorian rooms and corridors, and the repair of Chapel windows. The Victorian estate is now in excellent condition, with only one major project – the renewal of the main kitchen at a cost of some £4m – remaining to be undertaken. However, the College will now need to apply operating cash flow to the rebuilding of its free reserves, so in the absence of philanthropic funding it may be several years before the kitchen project can be completed.

In early 2018 the College undertook a major review of its finances, focussing on the impact of the H B Allen Centre on future cash flows. As well as revising the endowment spending rule, Governing Body agreed that, from 2018-19, buildings and major capital improvements should be depreciated over 40 rather than 25 years. This was based on two considerations: the excellent condition of the fabric after more than fifteen years of major investment, and the much lower rate of inflation than prevailed when the 25-year rule was adopted.

Factors that could affect the College's financial position in the future include:

- funding for academic activities not keeping pace with costs
- poor investment performance
- failure of the H B Allen Centre to generate sufficient net cash to service its debt
- decline in vacation conference business
- decline in philanthropic support

The Governing Body and its constituent committees are well aware of these risks, monitor them regularly and ensure that appropriate measures are taken to reduce or mitigate them.

### **Fundraising**

The College has an Alumni & Development Office whose role is to nurture strong relations between Keble and its alumni and, through those relations, to raise funds for its charitable activities. The Office consists of a Director and five staff. Where appropriate, it engages consultants to advise on its activities but not to act on its behalf. The College has a network of alumni volunteers – Year Group Representatives – who assist in communicating information regarding College news, events, and fundraising projects to their peers. All communication via Year Group Representatives is directed in terms of content and timing by the Alumni & Development Office staff.

The College is registered with the Fundraising Regulator and voluntarily subscribes to its Code of Fundraising Practice as adapted, by agreement with the Regulator, to meet the particular circumstances of colleges in the University of Oxford. The activities of the Year Group Representatives adhere to the Code of Fundraising Practice as adapted.

The College is not aware of any failure on its part to comply with the Code and has not received any complaints in 2018-19 about its fundraising activity, nor the activity of the Year Group Representatives. The College does not solicit funds from members of the public: its fundraising activities are principally focused on its alumni and on third parties introduced to the College by alumni. The College communicates regularly with its alumni using a variety of media. If an alumnus expresses a wish not to be approached for donations or not to be communicated with, that is recorded and respected.

The College has a policy on fundraising with and responding to people in vulnerable circumstances. All Alumni & Development Office staff and Year Group Representatives are aware of the policy and are instructed to review the content annually. All Fundraising policies are published online at <http://www.keble.ox.ac.uk/about/governance/fundraising-policies>.

### **Reserves policy**

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

Total funds of the College and its subsidiaries at the year-end amounted to £132m (2018: £127m). This includes endowment capital of £52.2m (2018: £47.0m) and unspent restricted income funds totalling £841k. General Funds at the year-end

## KEBLE COLLEGE

### Report of the Governing Body

amounted to -£3.54m (2018: -£2.22m). The Governing Body has set a policy target for free reserves at the equivalent of three months' expenditure on charitable objects (currently £2.6m). However, whilst adopting the policy target, the Governing Body has also recognised that expenditure on certain capital improvements could be postponed in the event of a cash-flow problem. Similarly, capital projects might be brought forward and funded by overdraft if warranted by circumstances. During the year Governing Body deemed it sensible to bring forward the final phase of the Victorian rooms and corridors project on the basis that in 2019-20 and 2020-21 it would be desirable to keep capital projects to the minimum so as not to impact the College's 150<sup>th</sup> anniversary celebrations. Given the excellent condition of all the College's fabric, such a moratorium could if necessary be extended for several years in order to achieve the free reserves target.

#### Risk management

Keble has on-going processes for identifying, evaluating and managing the principal risks and uncertainties faced by the College and its subsidiaries in undertaking their activities. When it is not able to address risk issues using internal resources, the College takes advice from external experts. All the College committees monitor risk on an ongoing basis and conduct an annual review of the major risks to which the College is exposed in their areas of responsibility. Their findings are aggregated into a report on major risks which is considered by the Governing Body each year. Health and Safety risks are monitored by a committee of heads of department, chaired by the Bursar and subject to annual external audit.

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

The principal risks and uncertainties faced by the College and its subsidiaries that have been identified are categorised as follows:

Activity and risk	Risk management measures adopted	Progress report for 2018-19 and further measures to be considered during 2019-20
Owning and operating buildings: Failure of utilities services	Renewal of electrical circuits and plumbing services throughout the College. Established regimes for flushing water systems and PAT testing appliances. Liability insurance.	Staircase P4 completed. New Servery installed. Hall renovation project included complete rewiring of the Hall. Kitchen project postponed/delayed. Legionella Awareness refresher training taking place TT19.
Owning and operating buildings: Excessive carbon emissions	More efficient boilers and better insulation of buildings. Restrictions on car parking.	College's main boilers replaced in summer of 2018. New plumbing will enable them to serve L4 and 5 as well, replacing old boilers. More efficient boiler to be installed in Chapel.
Owning and operating buildings: Structural defects	Rolling programme of capital renovations. Employment of structural engineers to advise on any building alterations.	Final phase of Butterfield rooms and corridors project (P4) completed August 2019, including stonework and chimney repairs. Estates Department to work on a ten-year rolling maintenance plan, including a consideration of proprietary software to manage the programme.
Funding: Changes in College fee/ external funding; impact on colleges of likely deficit in University funding	Work through Conference of Colleges and Estates Bursars Committee	New CCS scheme will not be available to Keble. Meanwhile Augar Report proposes reduction in the Tuition Fee to £7.5k. If this were to be implemented with no compensating increase in government funding, academic income would suffer. More generally, medium term reductions in capitation funding are a significant risk.
H B Allen Centre: Programme or cost overruns	Two-stage fixed price contract, employment of professional project manager, monthly pattern of meetings to monitor progress and cost control.	Staged completion, commencing October 2018, avoided major problem with graduate housing, but resulted in major costs to the College and loss of revenue. Practical completion granted on 02-09-2019. Programme overruns have given rise to substantial claims linked to Extension of Time requests beyond 21-12-18 which have been rejected. Lawyers appointed to act for College in resolving the matter with BAM.
Recreation and sports: Accidents	Follow University policy and guidelines and take measures to raise awareness of risk	Salto for sportsground access to be considered
Information and IT provision: Data Protection failure	Publicise rules	The following measures have been put in place during 2018-2019 to comply with DPA 2018 requirements: ROPAs, Data Privacy Notices, Data Sharing Information, Retention Schedules, Consent Documentation, Contract Clauses, DPIAs and LIAs, Data Breach and SAR procedures. Training for all staff who handle personal data is taking place in May/June. 2019-2020 will see further progress on Retention Schedule and ROPA development. Work needs to be completed on privacy notices, associated confidentiality policies, and contract clauses.

# KEBLE COLLEGE

## Report of the Governing Body

Activity and risk (contd.)	Risk management measures adopted	Progress report for 2018-19 and further measures to be considered during 2019-20
Employment costs: Sudden and unexpected increases	Estates Bursars' Committee actively engaged in working parties dealing with pensions (both USS and OSPS)	USS negotiations continue, but employer's contribution rises from 19.5% of salary to 22.5% from October 2019. Living Wage pressure is also putting pressure on the Domestic Account. 2019 cost of living award will again squeeze the increments between points, meaning that the lower the salary, the higher the percentage uplift.
Staff Quality: Failure to attract and retain high quality academic staff.	College housing allowance and housing scheme. College accommodation for single Fellows. Private health insurance scheme. Engagement with faculties to support requests for buy-outs, and special leave. Active engagement with University-wide recruitment	Work is ongoing on a scheme to support property purchase for new appointments. At the University level, there are new guidelines for recruitment and selection designed to diversify appointments.
Teaching: Poor quality, poor organisation; implementation of academic strategy; University & external pressure on Fellows	Feedback questionnaires; structure of tutorial organisation reviewed; informal appraisals of Fellows by Warden before confirmation and re-election and appropriate reviews at other times; tuition records; College template on duties of tutorial fellows	Academic Committee agreed that we should look into working with the Oxford Study Skills Centre. New courses for introducing tutorial teaching will be available from OLL in 2019-20. The feasibility of a graduate mentoring scheme will be explored.
Recreation and sports: Excessive drinking and other behavioural problems	College Regulations and related behavioural codes, decanal structure, professional bar staff	OSS have taken over our security contract and regularly check the sports ground security. The College Porters, OSS and Housekeeping report any bad behaviour due to excessive drinking to the Dean and Junior Deans There have been few reported incidents within College in the last year.
Opening HBAC : Late opening of new building.	Regular meetings held with the Project Manager and Contractors to monitor progress. The H B Allen Building Manager and the Domestic Bursar with Bidwell's the Project Managers formulated a handover document to ensure all of the rooms go live on the required dates.	The Allen Centre accommodation was delivered in three phases. Delays in construction affected how the building was handed over to College.
Investment management: Poor investment performance	Investment Advisory Committee meets at least once a year. Portfolio asset allocation reviewed, resulting in switch from OIECs to funds of hedge funds.	OUEM weathered the 2018 downturn and remains one of the global top-performing endowment managers.
Conferences: Poor service	Emphasis on importance of customer service	Hall and servery project completed. HBAC completed. Conference market remains very challenging but the investments made will strengthen College's offering.
Conferences: Recession and 'event' risk	Diversification of client base, more proprietary conferences.	Brexit impact continues to loom, to which should be added impact of global warming (prompting greater awareness of the carbon footprint of international conferences) and the digital revolution (which is disrupting many sectors, especially retail).
Conferences: Tax liability	Attendance at seminars. Consultation with legal and financial advisors	No change, but we are spending significant sums on VAT advice to ensure we protect our business.
Key personnel: Sudden and unplanned loss	Appraisals and annual salary reviews	Senior team remains in place. Succession planning for the Bursar post is beginning.
Theatre: Failure to follow safety procedures	Theatre safety manual	AV Technician now responsible for: <ul style="list-style-type: none"> <li>Overseeing MES student productions</li> <li>Training and supervising student technicians to use the AV facilities and equipment</li> <li>Ensuring health and safety processes are followed and updated.</li> </ul>
Board and lodging: Pandemics	Prepare and update pandemic plan	Sub-Dean at HBAC is a qualified doctor.
Employing staff: Breach of employment legislation	Staff contracts, employee handbook, consult professionals on potential problems	Performance management training delivered by Peninsula to managers and supervisors August 2018.
Employing staff: Discrimination on grounds of race, sex, disability etc.	Equality policy, action plan and equality committee established.	Transgender awareness training arranged in TT19 for all student-facing staff and departmental managers. Gender pay gap reporting review undertaken on non-academic bonus payments.

## **KEBLE COLLEGE**

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

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

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

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

To meet these objectives the College's investments as a whole are managed on a total return basis, maintaining diversification across a range of asset classes in order to produce an appropriate balance between risk and return. In line with this approach, the College statutes allow the College to invest permanent endowments to maximise the related total return and to make available for expenditure each year an appropriate proportion of the unapplied total return. The investment strategy, policy and performance are monitored by the Finance Committee. At the year end, the College's endowment totalled £52m. The aggregate investment return for the year was 9.0%.

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 2004 together with the original gift value of all subsequent endowment received.

Almost all of the College's discretionary funds, apart from its private equity holdings and joint-equity interests in Fellows' housing, are held in the Oxford Endowment Fund managed by OUEM (Oxford University Endowment Management).

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

#### **FUTURE PLANS**

6<sup>th</sup> June 2020 will be the 150<sup>th</sup> anniversary of the Incorporation of the College by Royal Charter. At its centenary celebrations the College looked very much as it had done since its early years – a predominantly undergraduate population housed in the Victorian buildings of a college that still lacked any meaningful endowment and was among the poorest of the Oxford colleges. The past fifty years have seen a transformation in the built estate, the finances of the College and the size and make-up of its academic community. The addition of the Hayward and De Breyne quads in the 1970s, the ARCO Building in 1985, the Sloane Robinson Building in 2002 and the H B Allen Centre in 2019 have more than trebled student accommodation, from 171 units to 629. Meanwhile, the endowment has passed the £50m mark and the income from it, coupled with the contribution from Keble's conference business and annual donations from alumni, provides over £2.5m per annum in support of our core activities. The Fellowship has grown commensurately whilst the student body, now almost 800 strong, has almost as many graduates as undergraduates.

More buildings mean higher maintenance costs, but the College has invested heavily in major renovations, particularly to its Victorian estate. This has been funded largely out of operating cash-flow, but has also involved some short-term borrowing. Given that the fabric is now in a very good condition, the priority for the next few years will be to pay off the overdraft and rebuild a healthy level of free reserves. Routine maintenance and some relatively modest refurbishment projects remain to be undertaken, but the level of annual spend should be significantly lower. Meanwhile, the H B Allen Centre will see its first full year of operations, generating a net cash flow sufficient both to meet the interest charge on the £40m of long term debt and to begin the process of building a sinking fund to meet the repayment schedule, the first of ten equal annual instalments being due in 2046.

As noted above, one significant project remains to be completed in the near term – the renewal of the College's main kitchen. Given the need to focus on rebuilding our cash reserves, this is only likely to proceed once we have raised the £4m needed for the project from charitable donations and grants. We remain optimistic that this project will be completed within the next 2-3 years.

## **KEBLE COLLEGE**

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

#### **STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES**

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

Charity law requires the Governing Body to prepare financial statements for each financial year. Under that law the Governing Body has 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 it is 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. It is also responsible for safeguarding the assets of the College and ensuring their proper application under charity law and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Governing Body on 6<sup>th</sup> November 2019 and signed on its behalf by:

Sir Jonathan Phillips  
Warden

## **KEBLE COLLEGE**

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

#### **Opinion**

We have audited the financial statements of Keble College (the "Charity") for the year ended 31 July 2019 which comprise the Statement of Accounting Policies, the Consolidated Statement of Financial Activities, the Consolidated and College Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and charity's affairs as at 31 July 2019 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

#### **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 the 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 Members of the Governing Body's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Members of the Governing Body have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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 Members of the Governing Body are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. 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 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.

## **KEBLE COLLEGE**

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

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

#### **Responsibilities of the Members of the Governing Body**

As explained more fully in the Statement of Accounting and Reporting Responsibilities [set out on page 14], the Members of the Governing Body 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 they 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 Members of the Governing Body 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 Members of the Governing Body 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**

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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the College's Governing Body, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Members of the Governing Body those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College's Governing Body as a body, for our audit work, for this report, or for the opinions we have formed.

Critchleys Audit LLP  
Statutory Auditor  
Oxford

7<sup>th</sup> November 2019

Critchleys Audit LLP is eligible to act as an auditor in terms of sections 1212 of the Companies Act 2006.

# KEBLE COLLEGE

## Statement of Accounting Policies

Year ended 31 July 2019

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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, Conference Keble Limited and Keble Properties Limited. No separate SOFA has been presented for the College alone, as currently permitted by the Charity Commission on a concessionary basis. 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 the view of the Governing Body, in applying the accounting policies adopted no judgements were required that have a significant effect on the amounts recognised in the financial statements.

### 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, 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 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 at the date of the gift.

#### *c. Investment income*

Interest on bank balances is accounted for on an accrual 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.

**KEBLE COLLEGE**  
**Statement of Accounting Policies**  
**Year ended 31 July 2019**

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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 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 £20,000 together with expenditure on equipment costing more than £20,000 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 years
Leasehold properties	40 years or period of lease if shorter
Building improvements	40 years
Equipment	5 years

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

**KEBLE COLLEGE**  
**Statement of Accounting Policies**  
**Year ended 31 July 2019**

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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.

**9. Heritage Assets**

The College has chosen to hold heritage assets at fair value. The college has a number of assets, including items of art and historic texts that meet the definition of heritage assets under the SORP. Heritage assets purchased are initially recognised and subsequently measured at fair value. Items donated to the College are recognised at fair value.

**10. 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.

**11. 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.

**12. Stocks**

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

**13. Foreign currencies**

The functional and presentation currency of the College and its subsidiaries is the pound sterling. 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.

**14. Total Return investment accounting**

The College statutes authorise the College to adopt a 'total return' basis for the investment of its permanent endowment. The College can invest its permanent endowments without regard to the capital/income distinctions of 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

**KEBLE COLLEGE**  
**Statement of Accounting Policies**  
**Year ended 31 July 2019**

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endowment known as the unapplied total return that can be either be retained for investment or released to income at the discretion of the Governing Body.

**15. 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.

**16. Pension costs**

The costs of retirement benefits provided to employees of the College through two multi-employer defined pension schemes are accounted for as if these were defined contribution schemes 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.

Keble College

Consolidated Statement of Financial Activities

For the year ended 31 July 2019

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2019 Total £'000	2018 Total £'000
<b>INCOME AND ENDOWMENTS FROM:</b>						
<b>Charitable activities</b>						
Teaching, research and residential	1	8,037	-	-	8,037	6,459
<b>Other trading income</b>	3	1,719	-	-	1,719	1,810
<b>Donations and legacies</b>	2	397	2,291	2,221	4,909	2,502
<b>Investments</b>						
Investment income	4	9	-	1,606	1,615	1,612
Total return allocated to income	17	592	745	(1,337)	-	-
<b>Other income</b>		118	-	-	118	120
<b>Total income</b>		<b>10,872</b>	<b>3,036</b>	<b>2,490</b>	<b>16,398</b>	<b>12,503</b>
<b>EXPENDITURE ON:</b>						
<b>Charitable activities</b>						
Teaching, research and residential	5	11,094	1,254	-	12,348	9,380
<b>Generating funds</b>						
Fundraising	5	689	8	-	697	834
Trading expenditure		1,496	-	-	1,496	1,309
Investment management costs		-	-	-	-	-
		2,185	8	-	2,193	2,143
<b>Total expenditure</b>		<b>13,279</b>	<b>1,262</b>	<b>-</b>	<b>14,541</b>	<b>11,523</b>
<b>Net income/(expenditure) before gains</b>		(2,407)	1,774	2,490	1,857	980
Net gains/(losses) on investments	11	10	-	2,644	2,654	2,238
Fixed asset impairment charge		-	-	-	-	-
<b>Net income/(expenditure)</b>		<b>(2,397)</b>	<b>1,774</b>	<b>5,134</b>	<b>4,511</b>	<b>3,218</b>
<b>Transfers between funds</b>	17	1,338	(1,376)	38	-	-
<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>		(1,059)	398	5,172	4,511	3,218
Fund balances brought forward	17	79,948	443	47,012	127,403	124,185
<b>Funds carried forward at 31 July</b>	17	<b>78,889</b>	<b>841</b>	<b>52,184</b>	<b>131,914</b>	<b>127,403</b>

**Keble College**  
**Consolidated and College Balance Sheets**  
**For the year ended 31 July 2019**

	Notes	2019 Group £'000	2018 Group £'000	2019 College £'000	2018 College £'000
<b>FIXED ASSETS</b>					
Tangible assets	9	98,559	78,720	98,559	78,720
Heritage assets	10	27,108	27,108	27,108	27,108
Investments	11	50,300	50,224	50,300	50,224
<b>Total fixed assets</b>		<b>175,967</b>	<b>155,257</b>	<b>175,967</b>	<b>156,052</b>
<b>CURRENT ASSETS</b>					
Stocks		70	55	70	55
Debtors	14	1,443	3,128	850	1,029
Cash at bank and in hand	24	6	8,470	(200)	7,841
<b>Total current assets</b>		<b>1,519</b>	<b>12,448</b>	<b>720</b>	<b>8,925</b>
<b>LIABILITIES</b>					
Creditors: amounts falling due within one year	15	2,984	4,523	2,258	1,868
<b>NET CURRENT ASSETS/ (LIABILITIES)</b>		<b>(1,465)</b>	<b>7,925</b>	<b>(1,538)</b>	<b>7,057</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>174,502</b>	<b>163,182</b>	<b>174,429</b>	<b>163,109</b>
<b>CREDITORS: falling due after more than one year</b>		<b>40,000</b>	<b>35,000</b>	<b>40,000</b>	<b>35,000</b>
<b>Provisions for liabilities and charges</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET ASSETS BEFORE PENSION ASSET OR LIABILITY</b>		<b>134,502</b>	<b>128,182</b>	<b>134,429</b>	<b>128,109</b>
Defined benefit pension scheme liability		2,588	779	2,588	779
<b>TOTAL NET ASSETS</b>		<b>131,914</b>	<b>127,403</b>	<b>131,841</b>	<b>127,330</b>
<b>FUNDS OF THE COLLEGE</b>					
Endowment funds	17	52,184	47,012	52,184	47,012
Restricted funds		841	443	841	443
<b>Unrestricted funds</b>					
Designated funds		57,909	55,842	57,909	55,842
General funds		(3,540)	(2,223)	(3,613)	(2,296)
Revaluation reserve		27,108	27,108	27,108	27,108
Pension reserve		(2,588)	(779)	(2,588)	(779)
		<b>78,889</b>	<b>79,948</b>	<b>78,816</b>	<b>79,875</b>
<b>TOTAL FUNDS</b>		<b>131,914</b>	<b>127,403</b>	<b>131,841</b>	<b>127,330</b>

The financial statements were approved and authorised for issue by the Governing Body of Keble College on 6th November, 2019.

Sir Jonathan Phillips  
Warden

R J Boden  
Bursar

Keble College  
Consolidated Cash Flow Statement  
For the year ended 31 July 2019

	Notes	2019 Group £'000	2018 Group £'000
<b>Net cash provided by (used in) operating activities</b>	23	<b>943</b>	<b>(198)</b>
<b>Cash flows from investing activities</b>			
Dividends, interest and rents from investments		1,615	1,612
Proceeds from the sale of property, plant and equipment		-	-
Purchase of property, plant and equipment		(20,763)	(37,445)
Proceeds from sales of investments		6,405	13,050
Purchase of investments		(3,827)	(1,808)
<b>Net cash provided by (used in) investing activities</b>		<b>(16,570)</b>	<b>(24,591)</b>
<b>Cash flows from financing activities</b>			
Repayments of borrowing		-	-
Cash inflows from new borrowing		5,000	5,000
Receipt of endowment		2,221	283
Finance costs paid		(58)	(22)
<b>Net cash provided by (used in) financing activities</b>		<b>7,163</b>	<b>5,261</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>(8,464)</b>	<b>(19,528)</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b>8,470</b>	<b>27,998</b>
<b>Change in cash and cash equivalents due to exchange rate movements</b>		<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	24	<b>6</b>	<b>8,470</b>

Charity law requires separate administration of the cashflows of endowed and other restricted funds of the College. This constraint has not adversely affected group cashflows as stated above.

**1 INCOME FROM CHARITABLE ACTIVITIES**

	2019	2018
	£'000	£'000
<b>Teaching, research and residential</b>		
<i>Unrestricted funds</i>		
Tuition fees - UK and EU students	2,148	2,019
Tuition fees - Overseas students	972	822
Other fees	322	314
Other HEFCE support	135	115
Other academic income	206	128
College residential income	4,254	3,061
	<u>8,037</u>	<u>6,459</u>

The above analysis includes £2,026k received from the University of Oxford from publicly accountable funds under the College Funding Formula (2018: £2,018k).

**2 DONATIONS AND LEGACIES**

	2019	2018
	£'000	£'000
<i>Unrestricted funds</i>	397	504
<i>Restricted funds</i>	2,291	1,715
<i>Endowed funds</i>	2,221	283
	<u>4,909</u>	<u>2,502</u>

**3 INCOME FROM OTHER TRADING ACTIVITIES**

	2019	2018
	£'000	£'000
<i>Unrestricted funds</i>		
Subsidiary company trading income	1,589	1,810
Other trading income	130	-
	<u>1,719</u>	<u>1,810</u>

**4 INVESTMENT INCOME**

	2019	2018
	£'000	£'000
<i>Unrestricted funds</i>		
Bank interest	9	88
Other interest	-	-
	<u>9</u>	<u>88</u>
<i>Endowed funds</i>		
Investment income	1,606	1,524
	<u>1,606</u>	<u>1,524</u>
<b>Total investment income</b>	<u>1,615</u>	<u>1,612</u>

## 5 ANALYSIS OF EXPENDITURE

	2019	2018
	£'000	£'000
<b>Charitable expenditure - Teaching, research and residential</b>		
Direct staff costs	5,093	4,228
Other direct costs	3,612	3,099
Support and governance costs note 6	1,850	2,181
Support and governance - movement on provision for defined benefit pension schemes	1,793	(128)
<b>Total charitable expenditure</b>	<b>12,348</b>	<b>9,380</b>
<b>Expenditure on raising funds</b>		
Direct staff costs allocated to:		
Fundraising	464	449
Trading expenditure	814	638
Investment management costs	-	-
Other direct costs allocated to:		
Fundraising	181	337
Trading expenditure	625	620
Investment management costs	-	-
Support and governance costs allocated to:		
Fundraising	52	48
Trading expenditure	57	51
Investment management costs	-	-
<b>Total expenditure on raising funds</b>	<b>2,193</b>	<b>2,143</b>
<b>Total expenditure</b>	<b>14,541</b>	<b>11,523</b>

The 2018 total expenditure of £11,523k represented £10,235k from unrestricted funds, £1,288k from restricted funds and £0k 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. Contribution is calculated annually in accordance with regulations made by the Council of the University of Oxford. The teaching, research and residential costs include College Contribution payable of £0k (2018: £4k).

**6 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS**

	Generating Funds	Teaching, Research & Residential	Total
2019	£'000	£'000	£'000
Financial administration	63	379	442
Domestic administration	4	173	177
Human resources	6	101	107
IT	36	192	228
Depreciation	-	924	924
Fixed asset impairment	-	-	-
Bank interest payable	-	42	42
Other finance charges	-	16	16
Governance costs	-	23	23
	<b>109</b>	<b>1,850</b>	<b>1,959</b>
<b>2018</b>			
Financial administration	57	350	407
Domestic administration	5	166	171
Human resources	4	76	80
IT	33	165	198
Depreciation	-	1,378	1,378
Fixed asset impairment	-	-	-
Bank interest payable	-	4	4
Other finance charges	-	18	18
Governance costs	-	24	24
	<b>99</b>	<b>2,181</b>	<b>2,280</b>

Finance and domestic administration, IT and human resources costs are attributed according to the estimated staff time spent on each activity. Depreciation costs and fixed asset impairment are attributed in full to the College's charitable activities, since it is for the support of those activities that the buildings, plant and equipment being depreciated are held. Interest and other finance charges are attributed according to the purpose of the related financing. Governance costs are allocated to the core charitable activity of tuition.

	2019 £'000	2018 £'000
<b>Governance costs comprise:</b>		
Auditor's remuneration - audit services	21	20
Auditor's remuneration - assurance services other than audit	-	-
Auditor's remuneration - tax advisory services	2	2
Auditor's remuneration - other services	7	2
Legal and other fees on constitutional matters	-	-
Other governance costs	-	-
	<b>30</b>	<b>24</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.

**Keble College****Notes to the financial statements**

For the year ended 31 July 2019

**7 GRANTS AND AWARDS**

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

	<b>2019</b>	2018
	<b>£'000</b>	£'000
<b>Unrestricted funds</b>		
Grants to individuals:		
Undergraduate scholarships, prizes and grants	<b>165</b>	155
Bursaries and hardship awards	<b>12</b>	47
Graduate scholarships, prizes and grants	<b>9</b>	-
Grants to other institutions	-	-
	<b>186</b>	202
<b>Restricted funds</b>		
Grants to individuals:		
Undergraduate scholarships, prizes and grants	<b>10</b>	25
Bursaries and hardship awards	<b>49</b>	70
Graduate scholarships, prizes and grants	<b>309</b>	257
Grants to other institutions	<b>10</b>	45
	<b>378</b>	397
<b>Total grants and awards</b>	<b>564</b>	599

The above costs are included within the charitable expenditure on Teaching and Research. Grants to other institutions mainly comprise awards to Keble parishes from the Harlow Trust and the Poor Parishes Funds.

**8 STAFF COSTS**

	<b>2019</b>	2018
	<b>£'000</b>	£'000
The aggregate staff costs for the year were as follows.		
Salaries and wages	<b>5,900</b>	4,952
Social security costs	<b>444</b>	382
Pension costs (see also note 21):		
Defined benefit schemes - employer's contributions	<b>716</b>	582
Defined contribution schemes	<b>13</b>	26
Supplementation payments	<b>3</b>	3
Defined benefit schemes - movement on pension provision	<b>1,793</b>	(128)
	<b>8,869</b>	5,817

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

	<b>2019</b>	2018
Tuition and research	<b>8</b>	8
College residential	<b>90</b>	69
Fundraising	<b>6</b>	7
Support	<b>11</b>	18
Total	<b>115</b>	102

Keble College

Notes to the financial statements

For the year ended 31 July 2019

**8 STAFF COSTS (continued)**

The average number of employed College Trustees during the year was as follows.	<b>2019</b>	2018
Associate Professor and Tutorial Fellow - University	<b>27</b>	22
Associate Professor and Tutorial Fellow - College	<b>7</b>	7
Other teaching and research	-	-
Other	<b>5</b>	7
<b>Total</b>	<b>39</b>	<b>36</b>

Redundancy payments are accounted for in the period in which the employee was informed of the decision. Where redundancy costs are uncertain, the figure in the accounts represents a best estimate. These costs will be met through unrestricted funds.

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:

	<b>2019</b>	2018
	<b>No.</b>	No.
£70,001 - £80,001	-	1
£80,001 - £90,001	<b>1</b>	-

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

In defined contribution schemes	<b>1</b>	1
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	<b>2019</b>	2018
	<b>£'000</b>	£'000
The College contributions to defined contribution pension schemes for these employees totalled	<b>15</b>	14

**9 TANGIBLE FIXED ASSETS**

<b>Group and College</b>	Freehold land and buildings £'000	Plant and Machinery £'000	<b>Total £'000</b>
<b>Cost</b>			
At start of year	90,349	3,617	<b>93,966</b>
Additions	20,693	70	<b>20,763</b>
Disposals	-	-	-
<b>At end of year</b>	<b>111,042</b>	<b>3,687</b>	<b>114,729</b>
<b>Depreciation</b>			
At start of year	12,663	2,583	<b>15,246</b>
Charge for the year	701	223	<b>924</b>
On disposals	-	-	-
<b>At end of year</b>	<b>13,364</b>	<b>2,806</b>	<b>16,170</b>
<b>Net book value</b>			
<b>At end of year</b>	<b>97,678</b>	<b>881</b>	<b>98,559</b>
At start of year	77,686	1,034	78,720

**9 TANGIBLE FIXED ASSETS (continued)**

In addition to its heritage assets (see note 10), 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. 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.

During the year borrowing costs totalling £1,213k (2018: £669k) were capitalised as part of the construction of the H B Allen Centre.

**10 HERITAGE ASSETS**

Group and College	Paintings	Manuscripts	Incunabula	Total
	At Valuation £'000	At Valuation £'000	At Valuation £'000	
At start and end of year	12,550	12,840	1,718	<b>27,108</b>

The College currently holds three classes of assets for heritage purposes: pictures, manuscripts and incunabula. There are two pictures in the collection: *The Light of the World* by Holman Hunt, and *The Lamentation of Christ* from the workshop of Willem Key. The College has 87 manuscripts, all of which are included in the catalogue of the collection by Malcolm B. Parkes: *The medieval manuscripts of Keble College Oxford* (1979). There are 100 items in the collection of early printed books. All these heritage assets were donated to the College in its early years. The pictures are on display in the Chapel and may be viewed by members of the public at no charge. The manuscripts and incunabula are held in the College Library and are available to scholars on request. A digital image has been made of the most famous manuscript in the collection - the Regensburg Lectionary. All three classes of assets were valued as at 31 July 2014.

**11 INVESTMENTS**

All investments are held at fair value.

	2019	2018
	£'000	£'000
<b>Group investments</b>		
Valuation at start of year	50,224	58,390
New money invested	2,221	283
Amounts withdrawn	(6,405)	(12,255)
Reinvested income	1,606	1,524
Investment management fees	-	-
Increase in value of investments	2,654	2,282
<b>Group investments at end of year</b>	<b>50,300</b>	50,224
Investment in subsidiaries	-	-
<b>College investments at end of year</b>	<b>50,300</b>	50,224

**11 INVESTMENTS (continued)**

The increase in the value of investments in 2018 included £288k arising from the temporary investment of the proceeds of the long-term fixed rate note issue pending their employment in the funding of the H B Allen Centre development (see Note 16). In accordance with FRS 102 the net cost of carry of that debt during the construction period has capitalised and is being depreciated over the life of the asset. The £288k was thus netted off and not included in the Statement of Financial Activities. There were no similar transactions in 2019.

<b>Group investments comprise:</b>	Held outside the UK £'000	Held in the UK £'000	<b>2019 Total £'000</b>	Held outside the UK £'000	Held in the UK £'000	<b>2018 Total £'000</b>
Equity investments	-	1	<b>1</b>	-	1	1
Global multi-asset funds	-	45,374	<b>45,374</b>	-	43,040	43,040
Property funds	-	1,746	<b>1,746</b>	-	1,510	1,510
Fixed interest stocks	-	-	-	-	-	-
Alternative and other investments	1,186	1,993	<b>3,179</b>	1,372	4,301	5,673
<b>Total group investments</b>	<b>1,186</b>	<b>49,114</b>	<b>50,300</b>	<b>1,372</b>	<b>48,852</b>	<b>50,224</b>

**12 PARENT AND SUBSIDIARY UNDERTAKINGS**

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

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

	Keble College (parent) £'000	Keble Properties £'000	Conference Keble £'000
Turnover	14,968	15,389	1,585
Expenditure	(13,673)	(15,094)	(1,029)
Donation to College under gift aid	854	(297)	(557)
Interest receivable	6	2	1
<b>Result for the year</b>	<b>2,155</b>	<b>-</b>	<b>-</b>
Total assets	176,687	411	678
Total liabilities	(44,846)	(411)	(605)
<b>Net funds at the end of year</b>	<b>131,841</b>	<b>-</b>	<b>73</b>

**13 STATEMENT OF INVESTMENT TOTAL RETURN**

The Trustees have adopted a duly authorised policy of total return accounting for investment returns with effect from 2003. The return to be applied as income is calculated as 3.5% of the average of the year-end values of the relevant investments in each of the last 5 years. The preserved (frozen) value of the invested endowment capital represents its open market value on 31 July 2004 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	21,885	-	21,885	-	21,885
Unapplied total return	-	15,846	15,846	-	15,846
Expendable endowment	-	-	-	9,281	9,281
<b>Total Endowments</b>	<b>21,885</b>	<b>15,846</b>	<b>37,731</b>	<b>9,281</b>	<b>47,012</b>
<b>Movements in the reporting period:</b>					
Gift of endowment funds	2,115	-	2,115	106	2,221
Recoupment of trust for investment	-	-	-	-	-
Allocation from trust for investment	-	-	-	-	-
Investment return: dividends and interest	-	1,289	1,289	317	1,606
Investment return: realised and unrealised gains and losses	-	2,122	2,122	522	2,644
Less: Investment management costs	-	-	-	-	-
Other transfers	-	-	-	38	38
<b>Total</b>	<b>2,115</b>	<b>3,411</b>	<b>5,526</b>	<b>983</b>	<b>6,509</b>
Unapplied total return allocated to income	-	(1,061)	(1,061)	-	(1,061)
Expendable endowments transferred to income	-	-	-	(276)	(276)
	-	(1,061)	(1,061)	(276)	(1,337)
<b>Net movements in reporting period</b>	<b>2,115</b>	<b>2,350</b>	<b>4,465</b>	<b>707</b>	<b>5,172</b>
<b>At end of the reporting period:</b>					
Gift component of the permanent endowment	24,000	-	24,000	-	24,000
Unapplied total return	-	18,196	18,196	-	18,196
Expendable endowment	-	-	-	9,988	9,988
<b>Total Endowments</b>	<b>24,000</b>	<b>18,196</b>	<b>42,196</b>	<b>9,988</b>	<b>52,184</b>

**14 DEBTORS**

	2019 Group £'000	2018 Group £'000	2019 College £'000	2018 College £'000
<b>Amounts falling due within one year:</b>				
Trade debtors	690	694	285	169
Amounts owed by College members	74	74	74	74
Amounts owed by Group undertakings	-	-	16	-
Loans repayable within one year	79	13	79	13
Prepayments and accrued income	426	359	334	344
Other debtors	174	1,988	62	429
	<b>1,443</b>	<b>3,128</b>	<b>850</b>	<b>1,029</b>

Keble College

Notes to the financial statements

For the year ended 31 July 2019

15 CREDITORS: falling due within one year

	<b>2019</b>	2018	<b>2019</b>	2018
	<b>Group</b>	Group	<b>College</b>	College
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Trade creditors	1,776	1,250	1,174	546
Amounts owed to Group undertakings	-	-	-	404
Taxation and social security	215	152	215	152
College contribution	-	-	-	-
Accruals and deferred income	721	2,858	597	503
Other creditors	272	263	272	263
	<b>2,984</b>	4,523	<b>2,258</b>	1,868

16 CREDITORS: falling due after more than one year

	<b>2019</b>	2018	<b>2019</b>	2018
	<b>Group</b>	Group	<b>College</b>	College
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Private placement	40,000	35,000	40,000	35,000
	<b>40,000</b>	35,000	<b>40,000</b>	35,000

The College issued £30m in long-term notes at par in December 2015 and a further £5m at a premium in June 2018. These notes bear a fixed interest rate of 3.366% p.a. The College issued a further £5m of long-term notes at par in May 2019 at a fixed interest rate of 2.98% p.a. The terms and conditions are otherwise the same for all three tranches, repayment being due in ten equal annual instalments commencing in December 2046. The proceeds have been applied to the construction of the HB Allen Centre on the Acland site. Prior to commencement of the main construction contract the costs associated with the loan, including arrangement fees, legal costs and interest, were expensed, whilst income and gains arising from the temporary reinvestment of the loan proceeds were taken into income. In accordance with FRS 102, from the start of construction in August 2016 interest on the notes, net of any income from temporary reinvestment of the note proceeds, was capitalised as a project cost. From 1st August 2019, the building having been substantially completed and handed over, interest will be expensed as incurred.

Keble College

Notes to the financial statements

For the year ended 31 July 2019

17 FUNDS OF THE COLLEGE MOVEMENTS

	At 1 August 2018 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2019 £'000
<b>Endowment Funds - Permanent</b>						
General purposes	15,930	544	-	(476)	896	16,894
External purposes	1,828	62	-	(63)	103	1,930
Bursaries	1,448	101	-	(35)	82	1,596
Scholarships	5,909	202	-	(110)	332	6,333
Fellowships	12,488	2,489	-	(373)	702	15,306
Music	128	6	-	(4)	7	137
<b>Endowment Funds - Expendable</b>						
General purposes	3,893	133	-	(78)	219	4,167
Bursaries	1,171	88	-	(35)	66	1,290
Scholarships	664	26	-	(17)	37	710
Fellowships	3,062	105	-	(91)	172	3,248
Other specified purposes	491	71	-	(17)	28	573
<b>Total Endowment Funds</b>	<b>47,012</b>	<b>3,827</b>	<b>-</b>	<b>(1,299)</b>	<b>2,644</b>	<b>52,184</b>
<b>Restricted Funds</b>						
Fixed asset projects funding	-	1,420	-	(1,379)	-	41
Development office funding	-	5	(8)	3	-	-
Other restricted income funding	443	866	(509)	-	-	800
Applied total return from restricted purpose endowment funds	-	-	(745)	745	-	-
<b>Total Restricted Funds</b>	<b>443</b>	<b>2,291</b>	<b>(1,262)</b>	<b>(631)</b>	<b>-</b>	<b>841</b>
<b>Unrestricted Funds</b>						
General	(2,296)	10,005	(11,470)	138	10	(3,613)
Fixed asset designated fund	55,842	275	-	1,792	-	57,909
Revaluation reserve	27,108	-	-	-	-	27,108
Pension reserve	(779)	-	(1,809)	-	-	(2,588)
<b>Total Unrestricted Funds - College</b>	<b>79,875</b>	<b>10,280</b>	<b>(13,279)</b>	<b>1,930</b>	<b>10</b>	<b>78,816</b>
Unrestricted funds held by subsidiaries	73	-	-	-	-	73
<b>Total Unrestricted Funds - Group</b>	<b>79,948</b>	<b>10,280</b>	<b>(13,279)</b>	<b>1,930</b>	<b>10</b>	<b>78,889</b>
<b>Total Funds</b>	<b>127,403</b>	<b>16,398</b>	<b>(14,541)</b>	<b>-</b>	<b>2,654</b>	<b>131,914</b>

## 18 FUNDS OF THE COLLEGE DETAILS

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

### Endowment Funds - Permanent:

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

### Endowment Funds - Expendable:

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

### Restricted Funds:

Fixed asset projects funding	Gifts and donations that must be applied to specific fixed asset projects. The transfer from these funds represents the capital expenditure that relates to these funds.
Development office funding	Gifts and donations that must be applied in support of the Development office expenditure relating to the Vision 2020 campaign.
Other restricted income funding	Gifts and donations that must be applied in support of other specified College activities.
Applied total return from restricted purpose endowment funds	Applied total return generated from restricted purpose permanent and expendable endowment funds which must be applied for the specified restricted purpose.

### Designated Funds

Fixed asset designated	Unrestricted Funds which are represented by the fixed assets of the College and therefore not available for expenditure on the College's general purposes.
Revaluation reserve	Unrestricted Funds which are represented by the revaluation of heritage assets.
Pension reserve	Unrestricted Funds which are represented by the College's pension fund liabilities.

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

**19 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2019 Total £'000
<b>2019</b>				
Tangible fixed assets	98,559	-	-	<b>98,559</b>
Heritage assets	27,108	-	-	<b>27,108</b>
Investments	-	-	50,300	<b>50,300</b>
Net current assets/(liabilities)	(4,190)	841	1,884	<b>(1,465)</b>
Long term liabilities	(40,000)	-	-	<b>(40,000)</b>
Pension fund liability	(2,588)	-	-	<b>(2,588)</b>
	<u>78,889</u>	<u>841</u>	<u>52,184</u>	<u><b>131,914</b></u>
<b>2018</b>				
Tangible fixed assets	78,720	-	-	<b>78,720</b>
Heritage assets	27,108	-	-	<b>27,108</b>
Investments	2,417	-	47,807	<b>50,224</b>
Net current assets/(liabilities)	7,482	443	(795)	<b>7,130</b>
Long term liabilities	(35,000)	-	-	<b>(35,000)</b>
Pension fund liability	(779)	-	-	<b>(779)</b>
	<u>79,948</u>	<u>443</u>	<u>47,012</u>	<u><b>127,403</b></u>

**20 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:

- Head of House
- 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. The salaries of academic employees are paid on external academic and academic-related scales and often involve joint arrangements with the University of Oxford. The salaries of non-academic employees are paid on the College's own scale.

All Official and Research Fellows are eligible for a Housing Allowance, which is included within the salary figures below. Two trustees live in accommodation owned by the College, for which they are charged a market rent.

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 the Report of the Governing Body in the section, Governing Body, Officers and Advisers.

**Key management remuneration**

The total remuneration paid to key management was £425k (2018: £406k).

Key management are considered to be the Warden, the Bursar, the Senior Tutor and the Development Director.

**20 TRUSTEES' REMUNERATION (continued)****Remuneration paid to trustees**

Range	2019		2018	
	Number of trustees	Gross remuneration, taxable benefits and pension contributions £	Number of trustees	Gross remuneration, taxable benefits and pension contributions £
£1 - £1,000	1	292	1	146
£1,001 - £2,000	-	-	1	1,751
£3,001 - £4,000	-	-	1	3,871
£4,001 - £5,000	1	4,076	-	-
£10,001 - £11,000	1	10,070	-	-
£11,001 - £12,000	-	-	1	11,800
£12,001 - £13,000	-	-	1	12,512
£16,001 - £17,000	1	16,828	-	-
£18,001 - £19,000	1	18,662	-	-
£20,001 - £21,000	-	-	2	40,396
£21,001 - £22,000	2	42,875	-	-
£22,001 - £23,000	1	22,810	-	-
£23,001 - £24,000	-	-	14	330,326
£24,001 - £25,000	14	344,354	4	127,767
£25,001 - £26,000	1	25,716	-	-
£26,001 - £27,000	1	26,214	-	-
£28,001 - £29,000	-	-	1	28,735
£29,001 - £30,000	1	29,714	-	-
£30,001 - £31,000	1	30,080	-	-
£32,001 - £33,000	-	-	1	32,884
£36,001 - £37,000	-	-	1	36,025
£37,001 - £38,000	1	37,328	-	-
£45,001 - £46,000	1	45,572	2	90,842
£53,001 - £54,000	1	53,867	-	-
£54,001 - £55,000	-	-	1	54,498
£55,001 - £56,000	-	-	1	55,622
£56,001 - £57,000	-	-	2	112,582
£57,001 - £58,000	2	114,946	1	57,899
£58,001 - £59,000	2	116,139	-	-
£60,001 - £61,000	2	120,083	-	-
£85,001 - £86,000	-	-	1	85,468
£87,001 - £88,000	1	87,955	-	-
£90,001 - £91,000	-	-	1	90,157
£93,001 - £94,000	1	93,613	-	-
£113,001 - £114,000	-	-	1	113,124
£117,001 - £118,000	-	-	1	117,163
£121,001 - £122,000	1	121,624	-	-
£122,001 - £123,000	1	122,038	-	-
Total	<u>39</u>	<u>1,484,856</u>	<u>39</u>	<u>1,403,568</u>

Fifteen trustees are not employees of the College and do not receive remuneration. All trustees may eat at common table, as can other employees who are entitled to meals while working.

**Other transactions with trustees**

No trustee claimed expenses for any work performed in discharge of duties as a trustee.

Note 27 provides further information on related party transactions.

**21 PENSION SCHEMES**

The college participates in two principal pension schemes for its staff - the Universities Superannuation Scheme (USS) and the University of Oxford Staff Pension Scheme (OSPS). The assets of the schemes are each held in separate trustee-administered funds. USS and OSPS schemes are contributory mixed benefit schemes (i.e. they provide benefits on a defined benefit basis - based on length of service and pensionable salary and on a defined contribution basis – based on contributions into the scheme). Both are multi-employer schemes and the college is unable to identify its share of the underlying assets and liabilities relating to defined benefits of each scheme on a consistent and reasonable basis. Therefore, in accordance with the accounting standard FRS 102 paragraph 28.11, the college accounts for the schemes as if they were defined contribution schemes. As a result, the amount charged to the Income and Expenditure Account represents the contributions payable to the schemes in respect of the accounting period.

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

The college has made available a National Employment Savings Trust for non-employees who are eligible under automatic enrolment regulations to pension benefits.

**Schemes accounted for under FRS 102 paragraph 28.11 as defined contribution schemes****Actuarial valuations**

Qualified actuaries periodically value the USS and OSPS schemes 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 are as follows:

	<b>USS</b>	<b>OSPS</b>
Date of valuation:	31/03/2017 <sup>a</sup>	31/03/2016 <sup>b</sup>
Date valuation results published:	28/01/2019	28/04/2017
Value of liabilities:	£67.5bn	£661m
Value of assets:	£60.0bn	£528m
Funding surplus / (deficit):	(£7.5bn)	(£133m)
Principal assumptions:		
· Investment return	CPI-0.53% to CPI-1.32%pa <sup>c</sup>	-
· Rate of interest (periods up to retirement)	-	'Gilts' + 1.2%pa
· Rate of interest (periods up after retirement)	-	'Gilts' + 1.2%pa
· Rate of increase in salaries	CPI + 2%pa <sup>d</sup>	RPI + 1%pa
· Rate of increase in pensions	CPI pa	Average RPI/CPI pa
Mortality assumptions:		
· Assumed life expectancy at age 65 (males)	24.5 yrs	22.4 yrs
· Assumed life expectancy at age 65 (females)	26.0 yrs	24.7 yrs
Funding Ratios:		
· Technical provisions basis	89%	80%
· Statutory Pension Protection Fund basis	72%	67%
· 'Buy-out' basis	48%	42%
· Estimated FRS 102 Total Funding level	77%	82%
Recommended employer's contribution rate (as % of pensionable salaries):	18% <sup>e</sup>	23% decreasing to 19% from 01/08/2017 <sup>f</sup>
Effective date of next valuation:	31/03/2018	31/03/2019

## 21 PENSION SCHEMES (continued)

- a. USS' actuarial valuation as at 31 March 2017 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 were calculated as at that date using pensionable salary and pensionable service immediately prior to that date and going forward will be revalued in line with increases in official pensions (currently CPI); all members 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 were 8% of salary but will increase in stages from 1 April 2019 to a level of 11.7% from 1 April 2020; a defined contribution benefit for salary above the salary threshold at the total level of 20% of salary in excess of the salary threshold. Further details about the benefits 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 an employer contribution rate of 18% pa of salaries for the period from 1 April 2016 to 31 March 2019, 19.5% from 1 April to 30 September 2019, 22.5% from 1 October 2019 to 31 March 2020 and a long-term rate of 24.2%. On the assumptions made and with the salary threshold and defined contribution section implemented this gives rise to deficit contributions of at least 5% p.a. of salaries from 1 April 2020. At 31 March 2019 USS reported that the estimated funding deficit was £5.7bn (92% funded).
- b. 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 £133 m. 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.
- c. USS' actuary has assumed that the investment return is CPI – 0.53% in year 1, decreasing linearly to CPI – 1.32% over 10 years, CPI + 2.56% from year 11 reducing linearly to CPI + 1.7% by year 21, remaining at CPI + 1.7%.
- d. USS' actuary has assumed that general pay growth will be CPI + 2% in year 1, CPI + 2% in year 2 and 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 1.0% p.a.
- e. The total USS employer contributions of 18% of salaries 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. The 2017 actuarial valuation was the fourth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £60.0 billion and the value of the scheme's technical provisions was £67.5 billion indicating a shortfall of £7.5 billion and a funding ratio of 89%.
- f. As noted above (note b), 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 contributions members who join on or after 1 October 2017. Part of 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.

**21 PENSION SCHEMES (continued)**

**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**

<i>Assumption</i>	<i>Change in assumption</i>	<i>Impact on USS liabilities</i>
Initial discount rate	increase / reduce by 0.25%	decrease / increase by £3.3bn
Asset values	reduce by 10%	increase by 6.0bn
RPI inflation	increase / reduce by 0.25%	decrease / increase by £3.3bn
Rate of mortality	more prudent assumption (mortality used at last valuation, rated down by a further year)	increase by £1.6bn

**OSPS**

<i>Assumption</i>	<i>Change in assumption</i>	<i>Impact on OSPS technical provisions (from 80% funded at 31/03/2016)</i>
Valuation rate of interest	decrease by 1.0%	68%
Rate of pension increases	increase by 1.0%	69%
Life expectancy	more prudent assumption (life expectancy increases by 3 years)	72%

**Deficit Recovery Plans**

In line with FRS 102 paragraph 28.11A, the company has recognised a liability for the contributions payable for the agreed deficit funding plan. The principle assumptions used in these calculations are tabled below:

	<b>USS</b>	<b>OSPS</b>
Finish Date for Deficit Recovery Plan:	30/06/2027	31/06/2034
Average staff number increase :	0.20%	0.30%
Average staff salary increase:	2.00%	2.00%
Average discount rate over period:	1.40%	1.75%
Effect of 0.5% change in discount rate:	4.24%	2.53%
Effect of 1% change in staff growth:	8.77%	5.11%

A provision of £2,589k has been made at 31 July 2019 (2018 - £779k) for the present value of the estimated future deficit funding element of the contributions payable under these agreements, using the assumptions shown. The provision reduces as the deficit is paid off according to the pension recovery scheme.

**Pension charge for the year**

The pension charge recorded by the college during the accounting period (excluding pension finance costs) was equal to the contributions payable after allowance for the deficit recovery plan as follows:

	2019	2018
<b>Scheme</b>	<b>£000</b>	<b>£000</b>
Universities Superannuation Scheme	419	369
University of Oxford Staff Pension Scheme	297	213
Other schemes – contributions	13	26
Supplementation payments	3	3
Movement in provision on defined benefit schemes	1,793	(128)
<b>Total</b>	<b>2,525</b>	<b>483</b>

Included in other creditors are pension contributions payable of £nil (2018: £nil).

**22 TAXATION**

The College is able to take advantage of the tax exemptions available to charities from taxation in respect of income and capital gains received to the extent that such income and gains are applied to exclusively charitable purposes. No liability to corporation tax arises in the College's subsidiary companies because the directors of these companies have indicated that they intend to make donations each year to the College equal to the taxable profits of each company under the Gift Aid scheme. Accordingly no provision for taxation has been included in the financial statements.

On the other hand, the College pays substantial tax as input VAT on purchases incurred in providing its exempt educational supplies.

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

	<b>2019</b>	2018
	<b>£'000</b>	£'000
<b>Net income/(expenditure)</b>	4,511	3,218
<b>Elimination of non-operating cash flows:</b>		
Investment income	(1,615)	(1,612)
(Gains)/losses in investments	(2,654)	(2,238)
Endowment donations	(2,221)	(283)
Donations in kind (shares)	-	-
Financing costs	58	22
Depreciation	924	1,378
Fixed asset impairment	-	-
Decrease/(Increase) in stock	(15)	17
Decrease/(Increase) in debtors	1,685	(1,600)
(Decrease)/Increase in creditors	(1,539)	1,010
(Decrease)/Increase in provisions	-	-
(Decrease)/Increase in pension scheme liability	1,809	(110)
<b>Net cash provided by (used in) operating activities</b>	<b>943</b>	<b>(198)</b>

**24 ANALYSIS OF CASH AND CASH EQUIVALENTS**

	<b>2019</b>	2018	<b>2019</b>	2018
	<b>Group</b>	Group	<b>College</b>	College
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Cash at bank and in hand	5	8,464	(201)	7,835
Notice deposits (less than 3 months)	1	6	1	6
Bank overdrafts	-	-	-	-
<b>Total cash and cash equivalents</b>	<b>6</b>	<b>8,470</b>	<b>(200)</b>	<b>7,841</b>

**25 FINANCIAL COMMITMENTS**

At 31 July the College had future minimum lease payments under non-cancellable operating leases as follows:

	<b>2019</b>	2018
	<b>£'000</b>	£'000
<b>Land and buildings</b>		
- not later than one year	<b>0</b>	<b>91</b>

## 26 CAPITAL COMMITMENTS

The College had contracted commitments at 31 July for future capital projects totalling £700k (2018: £16,757k).

## 27 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.

The College has properties owned jointly with trustees under joint equity ownership agreements between the trustee and the College. The net book value of the College's share in each property is as follows:

	2019	2018
	£'000	£'000
Trustee		
Dr L Bendall	288	277
Dr S Butt	287	276
Prof S Faulkner	257	246
Prof S Fletcher	217	209
Dr D McDermott	265	255
Ms J S Tudge	257	247
Prof D Downs	175	-
	<u>1,746</u>	<u>1,510</u>

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

During the year a loan of £80k was paid to Professor Lvovsky, a Trustee of the College. At the year end a balance of £60k was outstanding on the loan which was fully repaid after the year-end.

## 28 CONTINGENT LIABILITIES

Following the completion of the work on the Acland site, the College is in discussion with the contractor regarding the final payment to be made in respect of this project. It is not practical, at this time, to place a value on this liability.

## 29 POST BALANCE SHEET EVENTS

There are no post balance sheet events that require disclosure.