



Exeter College

Annual Report and Financial Statements

Year ended 31 July 2020

EXETER COLLEGE
Annual Report and Financial Statements
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EXETER COLLEGE

Report of the Governing Body

Year ended 31 July 2020

MEMBERS OF THE GOVERNING BODY

The Members of the Governing Body are the College's charity trustees under charity law. The members of the Governing Body who served in office as Trustees during the year or subsequently are detailed below.

Trustee		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Rector											
Professor Sir Richard Trainor		•	•	•	•	•	•	•		•	•
Official Fellows											
Dr Michael Hart					•						
Ms Jeri Johnson				•		•	•	•		•	
Dr Helen Spencer	Demitted 30 Sept 2019										
Dr Maureen Taylor		•		•		•					
Professor Jonathan Herring				•		•		•			
Professor Andrew Steane				•				•			•
Professor Simon Clarke											
Professor Zhongmin Qian				•							
Professor Jane Hiddleston				•		•					
Professor Christina de Bellaigue		•									
Mr William Jensen	Demitted 13 Sept 2019	•	•	•	•	•	•	•		•	•
Professor Cornelia Drutu				•	•						
Dr Chris Ballinger		•		•		•	•	•			•
Dr Philipp Kukura			•								
Professor Michael Osborne											
Professor Jared Tanner			•								
Professor Karin Sigloch		•		•	•	•					•
Dr James Grant				•		•					•
Professor Rachel Taylor				•				•		•	
Dr Martin Davy				•							

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Trustee		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Rev'd Mr Andrew Allen		•			•						•
Professor Conall MacNiocaill		•		•							
Professor Garret Cotter				•			•				
Dr Barnaby Taylor		•		•	•	•		•			•
Dr Imogen Choi											
Professor Giuseppe Marocci				•							
Dr Natasha Simonova											
Professor Dan Snow	Demitted 31 Aug 2020			•							
Professor Rachel Fraser											
Ms Eleanor Burnett	Demitted 20 Sep 2019	•	•				•			•	•
Mr Babis Karakoulas		•			•					•	•
Professor Dan Quigley				•							
Mr Peter Warner	Appointed 16 Oct 2019 to 22 Jun 2020	•	•	•	•	•	•	•		•	•
Ms Yvonne Rainey	Appointed 16 Oct 2019						•				
Mr Nicholas Badman	Appointed 2 Dec 2020	•	•	•	•	•	•	•		•	•
Fellows by Special Election											
Dr James Kennedy					•						
Professor Andrew Farmer		•							•		
Professor Dapo Akande				•							
Dr Asli Niyazioglu									•		
Professor Oreet Ashery				•							
Ms Rajssa Mechelli	Appointed 16 Oct 2019										
Research Fellows											
Dr Catherine Green							•				
Dr Dexnell Peters											
Dr Katherine Bull											

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Trustee		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Dr Stephanie Cavanaugh	Appointed 16 Oct 2019									•	
Dr Charlotte Elves	Appointed 16 Oct 2019							•			
Dr Francis Bischoff	Appointed 16 Oct 2019										
Professorial Fellows											
Professor Marc Lauxtermann											•
Mr Nigel Portwood			•						•		
Professor Dame Carol Robinson				•							
Professor Ervin Fodor									•		
Professor Christoph Tang				•		•					
Dr Chris Fletcher											
Professor Keith Channon									•		
Professor Jonathan Thacker		•									
Dr Michael Glover	Demitted 30/3/20										
Professor Luciano Floridi											

During the year, the activities of the Governing Body were carried out through ten main committees. The membership of these committees during the 2019/20 academic year is shown above for each Fellow.

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

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

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COLLEGE SENIOR OFFICERS AND STAFF

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

Professor Sir Richard Trainor	<i>Rector</i>
Professor Karin Sigloch (to 15 Apr 2020)	<i>Sub-Rector</i>
Dr Barnaby Taylor (from 16 Apr 2020)	<i>Sub-Rector</i>
Mr Peter Warner (from 14 Sept 2019 to 22 Jun 2020)	<i>Finance & Estates Bursar</i>
Mr Nicholas Badman (from 1 Nov 2020)	<i>Finance & Estates Bursar</i>
Dr Chris Ballinger	<i>Academic Dean</i>
Mr Babis Karakoulas	<i>Domestic Bursar</i>
Mr Rudi Makishti (from 31 Oct 2019)	<i>College Accountant</i>
Ms Yvonne Rainey (from 1 Sept 2019)	<i>Director of Development & Alumni Relations</i>
Ms Josie Cobb	<i>Academic Registrar</i>

COLLEGE ADVISERS

Investment Advisers

Sand Aire Ltd
105 Wigmore Street
London, W1U 1QY

Land Agents

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

Property Adviser & Planning Consultant

Turnberry Planning Ltd
41-43 Maddox Street
London, W1S 2PD

Auditor

Moore Kingston Smith LLP
Devonshire House
60 Goswell Rd
London, EC1M 7AD

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Bankers

Barclays Bank Plc
Corporate Services
4th Floor, Apex Plaza
Forbury Rd
Reading, RG1 1AX

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

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

Solicitors

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

Stone King Solicitors
28 Ely Place
London, EC1N 6TD

Fenwick Elliott LLP
Aldwych House
71-91 Aldwych
London, WC2B 4HN

College address

Turl Street
Oxford
OX1 3DP

Website

www.exeter.ox.ac.uk

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Report of the Governing Body

Year ended 31 July 2020

The Members of the Governing Body present their Annual Report for the year ended 31 July 2020 under the Charities Act 2011 together with the audited financial statements for the year.

REFERENCE AND ADMINISTRATIVE INFORMATION

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

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

Governing Body

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

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

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

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

Recruitment and training of Members of the Governing Body

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

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

Trustee indemnity insurance is in place for the College.

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Report of the Governing Body

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Remuneration of Members of the Governing Body and Senior College Staff

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

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

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

Organisational management

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

The Finance and General Purposes Committee is responsible for the operational finances of the College, for the management of the functional buildings and for reviewing and approving all contractual arrangements of the College.

The Investment Committee is responsible for the oversight and operation of the College's global investment portfolio and of its investment property.

The Education, Research and Welfare Committee is responsible for all questions of educational policy and welfare policy relating to Junior Members of the College.

The Staff Committee is responsible for the development of employment policies and for the recruitment, personal development and welfare of all non-academic staff.

The Fellowships Committee is responsible for all matters connected with fellowships of the College and, in particular, makes recommendations on (i) elections to all Governing Body Fellowships, (ii) the renewal of all Governing Body Fellowships, and (iii) elections to Honorary, Visiting and Emeritus Fellowships.

The Development Committee is responsible for advising the College on policies and priorities for its fund raising operations, for engaging and mobilising volunteers and supporters of the College and for alumni relations.

The Governance & Policy Committee is responsible for reviewing constitutional and legislative changes affecting the College and for preparing relevant changes to the Statutes, Bylaws and other governing and policy documents of the College, for the consideration of the Governing Body.

The Remuneration and Benefits Committee is responsible for advising the Governing Body on the remuneration and benefits of the Rector and Fellows and those College Officers and other such staff as the Governing Body may from time to time specify. The voting members of the Remuneration Committee do not receive any remuneration or benefit from the College, other than Common Table.

The Health and Safety Committee is responsible for the implementation of the College's Health and Safety policies and advises the Governing Body on necessary changes to those policies.

The Buildings and Gardens Committee is responsible for proposals relating to major refurbishment, alterations, redecoration and furnishing of existing College buildings, plans for new College buildings and matters relating to the College gardens.

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

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Group structure and relationships

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

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

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

OBJECTIVES AND ACTIVITIES

Charitable Objects and Aims

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

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

to admit undergraduate and graduate students to pursue their studies and research in the University of Oxford and to support those students in the successful pursuit of their learning, research and personal development through the teaching, supervision, intellectual resources and pastoral care offered by the College; and

to employ and support leading professional academics across a wide range of fields to teach and supervise undergraduate and graduate students of the University of Oxford and to advance knowledge and learning through their research and publishing.

The College's long and short-term objectives are to support and promote excellent research and teaching across the disciplines represented in the College and to recruit the ablest undergraduate and graduate students and ensure that they are taught and supervised to high academic standards. The cost of maintaining the undergraduate tutorial system and supporting the research of the College's academics greatly exceeds the total fee income received by the College. This means that the College is under constant pressure to increase income from endowment, donations and surpluses on commercial activity to meet the shortfall.

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

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

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

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Year ended 31 July 2020

Activities and objectives of the College

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

The student body comprised 584 full-time students: 342 full-time undergraduates (of whom 293 were Home/EU/Islands, 49 were Overseas); 217 students engaged in full-time postgraduate study or research, (including 65 taught-course students and 152 research students); 26 were visiting undergraduate students from Williams College in the US, under a long-standing relationship. The College's student body also included 19 part-time postgraduate students.

95 undergraduates completed their courses in 2019/20, of whom 94% received First or Upper Second class Honours. 42 postgraduates completed taught courses in 2019/20 (16 of them gaining Distinctions and 19 gaining Merits), and 25 research students successfully defended their theses.

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

In addition to the Oxford Bursary Scheme, which is operated and funded jointly by the University of Oxford and the colleges, Exeter College offers generous financial support to its students through hardship grants and academic grants. The College also has a number of graduate scholarship and bursary schemes funded from specific trusts. The total value of student support through bursaries and scholarships, including the Oxford Bursaries, was £739k (2019: £722k).

The way the Oxford Bursary Scheme is being administered within the Collegiate University, means that the College paid £85k (2019: £80k) as its share towards the full cost of the scheme. However, a total of 51 Exeter undergraduates received the Oxford Bursary from Exeter College, with 18 students receiving a Crankstart Bursary of £3,700 and 23 students receiving the maximum bursary for their year of entry. The total value of Oxford Bursaries provided to Exeter College students was £127k (2019: £148k).

In addition, the College provides hardship bursaries with the generous support of its alumni through Annual Fund donations and also from specific Trust Funds of the College. Full details of scholarships and bursaries can be found in Notes 7, 18 and 19 of the accounts.

The College also maintains a very active access programme to encourage applications from school pupils who might otherwise not consider applying to Oxford and to Exeter College. This access programme is managed by the College's Access and Outreach Officer and is extensively supported by current students, the Fellows and by the Tutor for Undergraduate Admissions and the Academic Registrar. The College operates its own access programme in addition to the College's financial contribution to the Collegiate University's access programme.

Access programme

The College, having taken the decision to expand its outreach programme, recruited a full-time Access and Outreach Officer in June 2019. The expanded outreach programme, designed to strengthen relationships with the College's link regions and develop links in other parts of the UK designed to attract additional high-quality applicants from backgrounds under-represented at Exeter, was rolled-out in September 2019. In the period up to 12 March, when in-person programming stopped due to COVID-19, the College ran 13 in-College events for schools in its South West link areas, 12 visits to the South West, 8 in-College events for schools outside the South West (primarily for schools situated in the Midlands and London), and 4 visits to non-link schools (primarily in the North West of England). The College policy is to attend in-region events beyond its South West link area when the link college cannot attend and the College has capacity to help. The College has achieved its goal to develop an impact-driven Access and Outreach programme. In academic year 2019/20, the College approved a new outreach strategy and implementation plan.

Exeter has particular links with schools in Somerset, Devon and Cornwall under Oxford University's regionalisation programme, now in its 11th year, which ensures that schools and colleges in every part of the UK are systematically linked to Oxford Colleges or the University Admissions Office. In academic year 2019/20, the College confirmed its membership of the South West Consortium, part of the

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University's new model for regional outreach. This means that the College has added North Somerset to its link areas. The consortium will develop new outreach projects for Bristol in academic year 2020/21, in partnership with consortium members Lady Margaret Hall and Merton College.

Exeter was scheduled to host the UNIQ summer programme during Easter 2020, which would have enabled the College to further broaden its engagement with prospective applicants. This programme, organised by the University, was moved online due to COVID-19 lockdown.

As in previous years, Exeter planned to host a residential programme in Oxford for Year 12s from its South West link areas. In order to widen participation on the programme, the College planned to organise coach transportation for all participants. The event was scheduled for June 2020, and was subsequently moved online due to the pandemic. Owing to 'the digital divide' caused by rural connectivity issues, plus other disruptions caused by the pandemic, only 20 of the 74 applicants joined the online event. Those unable to join were offered support, and many applicants made use of support and resources available.

This year also saw significant progress regarding the College's determination to diversify further its undergraduate intake (the top priority in the new strategic plan recently approved by Governing Body). In September 2020, Exeter hosted, with St Benet's Hall, a week-long online residential for pupils aged 14 and 15 from East Lothian, Scotland. The College piloted a new Access programme for Offer Holders, called Exeter Plus, in September 2019. Access-flagged Offer Holders who were not placed on the University's Opportunity Oxford programme, attended a week-long residential designed to support them with the transition from sixth form to university. Following a successful pilot, the programme was expanded in September 2020, when 17 participants attended a two-week residential before joining the University as Freshers in October 2020.

ACHIEVEMENTS AND PERFORMANCE

We started this year with considerable emphasis on policy innovations helping to implement the College's new ten-year Strategic Plan, with its themes of diversity, excellence, stewardship and community. For example, the College has established a working party (including student participation) on sustainability and climate change. The College published its new policy on environmental, social and governance (ESG) investing. In addition, the Governing Body endorsed a decision to increase welfare support available to Exeter's students. There has also been careful discussion of a new outreach scheme designed to increase the College's applications for undergraduate admissions, especially from individuals from disadvantaged backgrounds. Meanwhile, we are also making rapid progress, in consultation with our architects on the Library restoration project, in formulating ideas for a preliminary application by January to the planning and listed building authorities.

Against the backdrop of the COVID-19 pandemic, this year's events have reduced. However, it is important to emphasise how much dynamism the College is showing and that this momentum will provide the basis for renewed vigorous activity once we are able to re-establish normal operations.

Undergraduate students were awarded prestigious prizes by the University for Excellent Academic Performance. These included: three Gibbs Prizes for the best performance in a subject in the University (Law, Literae Humaniores, Physics), one prize for high performance in Practical Organic Chemistry, one prize in Engineering Science, two prizes in Law, one prize in Modern Languages and one Proxime Accessit Gibbs Prize in Politics.

Graduate students are also expected to be awarded prestigious prizes by the University for Excellent Academic Performance.

Our students also excelled in sport. Jessica Abele (2019, Physiology, Anatomy and Genetics) played tight-head-prop in the Women's Varsity Rugby match, scoring Oxford's only try. Alice Hopkinson-Wooley (2018, Modern Languages) represented the University in Varsity skiing. Five Exeter students participated in the University's double victory against Cambridge in Rugby League. Exeter's darts team, for the second term running, made it to the finals of their competition. Finally, Exeter undergraduate Hannah Morris (2019, English) undertook earlier this month a 54-mile riverside walk to raise money to address the persistent, distressing problem of homelessness in Oxford.

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Exeter's Fellows and Lecturers had an arduous Trinity Term, mounting entirely online teaching in response to the lockdown. Yet there were major individual achievements throughout the year. Oreet Ashery (Fine Art) was awarded the Turner Bursary – her work ranges across 'moving image, performance, photography, workshops, writing and assemblages'. Virologist Professor Ervin Fodor, who works on new strategies to fight influenza, was elected a Fellow of the Academy of Medical Sciences. Professor Andrew Farmer (General Practice) was appointed Director of the Health Technology Assessment Programme of the National Institute of Health Research. Professor Giuseppe Marcocci (History) published his work *The Globe on Paper*. Exeter Fellows (Professor Ervin Fodor, Dr Catherine Green, Professor Christoph Tang and Professor Luciano Floridi) are contributing in different ways in helping to find solutions to the COVID-19 crisis. Professor Fodor's research is focusing on ways to disrupt the spread of COVID-19, Dr. Green is leading the efforts of the Clinical BioManufacturing Facility in Oxford to begin the production of potential COVID-19 vaccines, Professor Tang has helped set up a diagnostic facility for COVID-19 at the Sir William Dunn School of Pathology, and Professor Floridi is elected a member of the NHS Covid-19 App Data Ethics Advisory Board. Dr Neil Herring was appointed Tutorial Fellow in Physiology at Exeter. Visiting Fellow Professor Alexander Bird (King's College London) was appointed to the Bertrand Russell Chair of Philosophy at Cambridge. Sir Antonio Pappano, Music Director of the Royal Opera House was elected to Exeter's Honorary Fellowship.

Dr Emily Oliver (German) spoke on the BBC World Service about attempts by East Germany, during the Cold War, to use radio to shape opinion in Africa; she also appeared on a BBC Four documentary, *London Calling: Cold War Letters*. On Radio 4, and at a Subject Family Dinner at Exeter, Dr Oliver Ready (Russian), spoke about Dostoevsky's *Crime and Punishment*, of which he has recently published a much-praised translation. Dr Natasha Simonova (English Literature) and Lecturer Dr Emily Oliver (German) gave scintillating virtual talks on their research to Senior Common Room audiences.

On 22 June 2020 Peter Warner, Finance and Estates Bursar since last summer, died suddenly. The loss to Peter's family is of course severe; the loss to Exeter is also great. Ultimately, the College rallied round in the aftermath of Peter's death. His successor, Nicholas Badman (ACA), was appointed through an open competition and took up his post on 1 November 2020.

Exeter alumni have featured very positively in the news. Celebrated author Philip Pullman (1965, English) was knighted in the New Year Honours List. David Lametti (1991, Law) secured membership of the Canadian Cabinet as Minister of Justice and Attorney-General, joining his fellow Exonian Jonathan Wilkinson (1988, PPE), Minister of Fisheries, Oceans and the Canadian Coast Guard.

FUNDRAISING

The financial year 2019/20 was a very unusual one for the Development Office due to the pandemic situation. In a year which saw many national charities lose up to a third of their donation income, the College is fortunate to maintain a steady level of donation income. A swift "Covid-19" appeal to support students during Trinity term generated £45k in donations. These gifts have been used to ensure that all students were adequately prepared for home learning, with all the equipment, books and materials they needed. There were several individual cases of specific hardship that we were also able to address. We are very grateful for these gifts and the continued support of our alumni during this uncertain time. Alumni who had pledged more significant gifts still made those gifts and we finished the year slightly over our predicted income at £2.55m (2019: £4.5m). This included a £0.4m gift to the Library restoration project and £0.8m (part of a £4m pledge) to Cohen Quad. We received £0.4m in legacy income and approximately £0.4m in unrestricted gifts to the Alumni Fund. Donations for fixed term Junior Research Fellowships, one in Mathematics and one in Spanish History are included in the above amounts.

The College has registered with the Fundraising Regulator and supports the standards for fundraising set out in the Code of Fundraising Practice. The College takes seriously its obligation to protect vulnerable people and does so by using its database of alumni to tailor our mailings to potential donors based on their personal preferences; and by avoiding excessive or duplicated fundraising requests. The College received no complaints in respect of fundraising during the year. We also updated our privacy policy, gift acceptance policy and our fundraising complaints procedure during the year.

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EXETER COLLEGE SUMMER PROGRAMME (ECSP)

The ECSP is hosted at Cohen Quadrangle and normally takes place over July and August. Unfortunately, this year's ECSP, which would have been the fourth, was cancelled due to the COVID-19 pandemic. The College, however, remains committed to continue and develop this programme. There was considerable interest from those who had planned to attend to re-book for the summer of 2021 and the College has agreed to roll-forward their bookings at no extra cost.

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

FINANCIAL REVIEW

As noted elsewhere in this report, the College was materially impacted by the pandemic during 2019/20 and this impact is continuing. In response to the Easter lockdown, the College moved its teaching provision online, resulting in lower residential and catering services income. In addition, the conference activity planned for Easter and the summer was cancelled, including the 2020 ECSP. Costs associated with these residential programmes were lower and the College was helped by the government's Coronavirus Job Retention Scheme (CJRS) grant, which amounted to £240k. This grant helped the College to maintain the full pay and related benefits of furloughed staff.

The impact of the pandemic on the financial markets also affected the College's securities investments resulting in a £1.6m revaluation loss (2019: £2.7m revaluation gain). This loss was largely offset by a £1.5m revaluation gain on the College's property investments (2019: £2.3m revaluation gain).

As a result of the pandemic, the College's expenditure exceeded its income leaving the College with net expenditure of £2.0m after gains and losses on investments (2019: £4.2m net income). The College's consolidated total funds reduced to £131m at 31 July 2020 (2019: £133m). This reduction in funds is represented by the endowment funds reducing by £1.8m, the restricted funds increasing by £0.1m and the unrestricted funds decreasing by £0.3m. If needed, the College's expendable endowment funds are available to support unexpected fluctuations in income and expenditure.

The College's income was £10.4m (2019: £13.3m), of which £3.1m (2019: £2.9m) was from tuition fees, other academic income and support from the Office for Students; £2.5m was from legacies and donations (2019: £4.6m); £2.7m was from residential income (2019: £4.1m), and £1.6m (2019: 1.2m) was from investment income. Other academic income increased slightly on the 2019 figures due to more funded payroll costs (see Note 1).

Total expenditure reduced from £14.1m to £12.3m. Of the £12.3m, £10.9m was spent directly on teaching, research and residential activity, with the balance being spent on activities which underpin the charitable purposes of the College. The reduction in expenditure is largely attributable to lost revenue generating activity due to Covid-19 and consists of the following: lower members' residential and catering costs, lower premises overheads, partly offset by an increase in IT and other one-off expenditure for ensuring a COVID-safe environment in our premises.

The provision for defined benefit pension scheme costs held against General Funds reduced to £1.8m (2019: £2.0m). This comprises a reduction of £0.5m in the provision for the Universities Superannuation Scheme (USS) (based on the latest 2018 actuarial valuation), partly offset by an increase of £0.3m in the provision for the University of Oxford Staff Pension Scheme (OSPS) (based on the latest 2019 actuarial valuation).

The endowment assets delivered a total return of 1.8% in the year to 31 July 2020 (2019: 8.4%). Property investments made a weighted contribution of 2.1%, partly offset by a weighted reduction of 0.3% in securities.

Within the directly held property portfolio, land at Grove Farm has now been brought to market and a potential sale is under discussion.

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Year ended 31 July 2020

Part of the sale of the College's remaining interests at Yew Tree Hill completed in July, with the remaining interests expected to progress in the near term.

The College is also promoting its interest in a significant site north of Oxford as part of the Cherwell District Council Local Plan. During the year, ownership of this site was transferred to a new wholly owned subsidiary, Checker Hall Company Limited

The portfolio also carried 8.4% cash at the year end. The Investment Committee has been concerned with the level of valuations and the expectation of rising interest rates and considers that cash should be re-invested with caution and that it also functions as a substitute for bonds which, were yields not so compressed, would normally account for a greater proportion of a diversified portfolio than has been the case through the cycle following the financial crisis of 2008/09.

Reserves policy

The Governing Body has previously agreed that the free general reserves should be maintained at six months' expenditure to allow the College to be managed efficiently and to provide a buffer to maintain its charitable activities even in the event of an unexpected drop in income or exceptional expense. In monetary terms, this equates to a figure of approximately £6.0m and with free reserves at 31 July 2020 being £2.2m (2019: £2.2m), this is lower than the policy target. However, free reserves are stated after making an additional pension liability provision of £1.8m, which is a non-cash item. It is the aim of the College that the balance of free general reserves improves over the next few financial years.

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

Total funds of the College and its subsidiaries at the year-end amounted to £131m (2019: £133m). This includes unspent restricted income funds totalling £5.2m and endowment capital of £74.9m. The endowment consists of £15.6m original Trust for Investment and £15.9m Unapplied Total Return on Permanent Endowments and £43.4m Expendable Endowments. Free reserves at the year-end amounted to £2.2m (2019: £2.2m), representing retained unrestricted income reserves after allowing for £1.8m designated for funding the pension deficits. Designated reserves consist of £47.9m for the book value of tangible fixed assets less associated funding arrangements and other designated funds amounting to £1.5m (2019: £1.1m).

In response to the pandemic, the College is keeping its reserves policy under review, and is carefully considering the risks that we currently face also taking account of opportunities that we have, including the government support schemes such as the CJRS, in tackling these risks.

Risk management

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

A material drop in donations from the Annual Fund, which would result in a downturn in spending capacity and pressure to cut costs. Controls that are in place include systematic processes for cultivating donors and consistently reviewing prospects and related donor engagement strategies;

Consistent underperformance of the endowment, which would result in a downturn in spending capacity and pressure to cut costs. The Investment Committee and investment advisers review performance, risk and the investment climate quarterly, which is considered sufficient for reacting to market changes;

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Year ended 31 July 2020

Key officer risk arising from reliance on single individuals with large portfolios of responsibilities and specialist knowledge, mitigated largely by documented procedures and frequent meetings between senior officers to review present issues within the College;

Failure to attract high calibre students from a diverse range of backgrounds, resulting in reputational damage and failure to compete with other colleges and universities. Measures are in place to communicate and market the College's distinctive characteristics. An Access and Outreach Officer is employed to manage communication with schools in the Devon, Cornwall and Somerset area and a systematic program of access initiatives is in place;

Risk of IT systems failure and breach of data security. The College regularly reviews its policies and practices in relation to IT. The data security policy and insurance cover exist to tackle risks in this area.

Unforeseen external events and shocks including political, economic and other (such as COVID-19) which could lead to lower income (including underperformance of the endowment (see above)) and or higher costs.

The 2020/21 financial year is likely to be more uncertain as the economic fallout from the pandemic continues. The College is keeping under review the key areas that are most at risk by the pandemic effects and is accordingly dealing with any issues that we face in supporting our staff, students and their academic curriculum. The College's 'Covid-19 Action Group' – coordinating Exeter's response to the pandemic – has provided a crucial link between the College and the large quantity of 'guidance' emanating from the Government and the University.

When it is not able to address risk issues using internal resources, the College takes advice from experts external to the College with specialist knowledge. Policies and procedures within the College are reviewed by the relevant College Committee, chaired by the Rector. Financial risks are assessed by the Finance and General Purposes Committee and investment risks are monitored by the Investment Committee. In addition, the Health and Safety Committee meets regularly to review health and safety issues. Training courses and other forms of career development are available, when appropriate, to members of staff to enhance their skills in risk-related areas.

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

Investment policy, objectives and performance

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

maintaining (at least) the value of the investments in real terms;

producing a consistent and sustainable annual transfer to support the general expenditure of the College; and

delivering these objectives within acceptable levels of risk.

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

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

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review in the light of investment returns to maintain an equitable balance between present and future beneficiaries.

The carrying value of the preserved permanent capital and the amount of any unapplied total return available for expenditure was taken as the open market values of these funds as at 1 August 2002 together with the original gift value of all subsequent endowment received. Wherever feasible, the College will monitor and screen its financial investments using best practice techniques to measure the environmental, social and governance ("ESG") impact of their underlying investments.

FUTURE PLANS

The College's strategy for the next ten years is found on the College website. Sitting alongside it is an ambitious fundraising plan, which aims to raise funds to support a variety of academic and non-academic key priorities. These include raising money for Tutorial Fellowships, postgraduate scholarships, enhanced financial support for undergraduates, access and outreach initiatives. There are a number of capital projects planned, the library refurbishment being the main one but we also intend to refurbish the College's Boat House, the College Lodge, and a number of staircases all designed to improve the working and living environment of the College. Accessibility and environmental sustainability will also be key considerations in these projects. The College will continue to implement its strategy, taking the present pandemic into account.

The Cohen Quadrangle continues to open up new opportunities for the College to enhance and grow its core mission which is to pursue excellence in teaching and research. Undergraduates and graduate students alike are making use of the new light-filled spaces in the Learning Commons to study and the seminar rooms are heavily used for general teaching and for specialist seminars and lectures. During the year, the building was booked by College fellows and by University departments for important academic conferences and symposiums and it is anticipated that this will continue in the forthcoming years.

The plans for the regeneration of the College Library at Turl Street are progressing well and the College aims to submit the preliminary application by January 2021 to the planning and listed building authorities. The transfer of the Archives and Special Collections to Cohen Quadrangle in 2017 marked the first logistical stage in that ambition and an exceptionally generous pledge made by a former undergraduate student provides the foundation for further matched funding to make this important project financially viable. The College has completed a detailed assessment of its requirements for regenerating the College Library to meet the expectations of students and academics in the 21st century. A design team has been selected to prepare detailed plans in advance of obtaining the necessary planning consents.

The College is focused on its access programme coordinated by a full-time Access & Outreach Officer. For academic year 2020/21, a significant proportion, if not all, outreach work will take place online. The College will develop new resources and materials for its website and for schools and individual applicants to access. The College aims to boost its social media activity, seeking to engage yet more applicants, teachers, and the wider community in this way. Further expansion of the Exeter Plus bridging programme is currently in research phase, and the College aims to make Exeter Plus its flagship programme in future years.

Despite the uncertainties created by the current pandemic, some of our major donors continue to pledge their support and we are optimistic that the regular giving income will hold steady. Current and future fundraising priorities, which are aligned with the above include; fundraising for the restoration of the College Library, funding for graduate scholarships (including the Black Academic Futures Programme), funding of academic posts and student support more generally and access and outreach. Just over £4m has been raised to-date for the Library, this project will gather pace now that the architects are edging completion of the design phase and demonstrable progress is being made to achieve the next milestone of submitting a preliminary application to the planning and listed building authorities.

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Report of the Governing Body

Year ended 31 July 2020

STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES

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

Charity law requires the Governing Body to prepare financial statements for each financial year. Under that law the Governing Body have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102: The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102).

Under charity law the Governing Body must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the College and of its net income or expenditure for that period. In preparing these financial statements, the Governing Body is required to:

- select the most suitable accounting policies and then apply them consistently;

- make judgments and accounting estimates that are reasonable and prudent;

- state whether applicable accounting standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;

- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements.

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the College will continue to operate.

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

Approved by the Governing Body on 2 December 2020 and signed on its behalf by:

Professor Sir Richard Trainor

Rector

EXETER COLLEGE

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

Year ended 31 July 2020

Opinion

We have audited the financial statements of Exeter College for the year ended 31 July 2020 which comprise the Group Statement of Financial Activities, the Group and Parent Charity Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 July 2020 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

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Independent Auditor's Report to the Members of the Governing Body of Exeter College Year ended 31 July 2020

Matters on which we are required to report by exception

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

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 16, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

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

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and the parent charity's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or

EXETER COLLEGE

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

Year ended 31 July 2020

conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

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

Use of this report

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

Moore Kingston Smith LLP, Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

Date:

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

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Statement of Accounting Policies

Year ended 31 July 2020

1. Scope of the financial statements

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

In light of the impact of the COVID-19, the Members of the Governing Body have assessed whether the use of the going concern basis remains appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the College to continue as a going concern, including the impact of the current COVID-19 emergency. The College has prepared cash flow and other forecasts, taking into account the potential pressures on income, which confirm the College will have sufficient liquidity to operate for at least the next twelve months from the date of approval of these financial statements. The conference and function activity remains an uncertainty due to current pandemic. The College is closely monitoring the pandemic effects, partly helped by available government support schemes such as the Coronavirus Job Retention Scheme (CJRS) where the College topped up the payments to employees to 100%. The College therefore continues to adopt the going concern basis in preparing its financial statements.

The principal accounting policies adopted are set out below and have been applied consistently throughout the year.

3. Accounting judgements and estimation uncertainty

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

The College participates in a multi-employer defined benefit pension plan. In the judgement of the Governing Body there is insufficient information about the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets in the financial statements and therefore the plan is accounted for as a defined contribution scheme (see Note 22);

The College and its subsidiaries carry investment property at fair value in the balance sheet, with changes in fair value being recognised in the income and expenditure section of the SOFA. Independent valuations are obtained to determine fair value at the balance sheet date;

Before legacies are recognised in the financial statements, the Governing Body has to exercise judgement as to what constitutes sufficient evidence of entitlement to the bequest. Sufficient entitlement exists once notification of payment has been received from the

EXETER COLLEGE
Statement of Accounting Policies
Year ended 31 July 2020

executor(s) of the estate or estate accounts are available which indicate there are sufficient funds in the estate after meeting liabilities for the bequest to be paid.

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

With respect to the next financial year, the other most significant areas of uncertainty that affect the carrying value of assets held by the College are:

The level of securities and property investment returns and the performance of investment markets;

The discount rate which is applied when determining the College's share of the past service deficits on its pension schemes.

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, OFS support and other charges for services

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

b. Income from donations, grants and legacies

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

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

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

Donations, grants and legacies which are subject to conditions as to their use imposed by the donor or set by the terms of an appeal are credited to the relevant restricted fund or, where the donation, grant or legacy is required to be held as capital, to the endowment funds. Where donations are received in kind (as distinct from cash or other monetary assets), they are measured at the fair value of those assets valued at the market value of the underlying assets received at the date of the gift receipt.

c. Investment income

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

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

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

Income from investment properties is recognised in the period to which the rental income relates. Note 4 comparatives have been restated to allow for a clearer allocation of investment income between investment assets.

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Statement of Accounting Policies

Year ended 31 July 2020

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 £10,000, together with expenditure on equipment costing more than £1,000 is capitalised.

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

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

8. Depreciation

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

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

EXETER COLLEGE

Statement of Accounting Policies

Year ended 31 July 2020

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

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

9. Investments

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

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

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

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

10. Other financial instruments

a. Cash and cash equivalents

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

b. Debtors and creditors

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

11. Stocks

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

12. Foreign currencies

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

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

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

13. Total Return investment accounting

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

EXETER COLLEGE

Statement of Accounting Policies

Year ended 31 July 2020

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

14. Fund accounting

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

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

Restricted funds comprise gifts, legacies and grants where the donors have specified that the funds are to be used for particular purposes of the College. They consist of either gifts where the donor has specified that both the capital and any income arising must be used for the purposes given or the income on gifts where the donor has required or permitted the capital to be maintained and with the intention that the income will be used for specific purposes within the College's objects.

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

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

15. Pension costs

The College participates in Universities Superannuation Scheme and the University of Oxford Staff Pension Scheme. These schemes are hybrid pension schemes, providing defined benefits (for members), as well as defined contribution benefits. The assets of the schemes are each held in a separate trustee-administered fund. Because of the mutual nature of the schemes, the assets are not attributed to individual Colleges and scheme-wide contribution rates are set. The College is therefore exposed to actuarial risks associated with other Universities' and Colleges' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the College therefore accounts for the schemes as if they were wholly defined contribution schemes. As a result, the amount charged to the profit and loss account represents the contributions payable to each scheme. Since the College has entered into agreements (the Recovery Plans) that determine how each employer within the schemes will fund the overall deficit, the College recognises a liability for the contributions payable that arise from the agreements (to the extent that they relate to the deficit) and therefore an expense is recognised.

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

Exeter College
Consolidated Statement of Financial Activities
For the year ended 31 July 2020

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2020 Total £'000	2019 Total £'000
INCOME AND ENDOWMENTS FROM:						
Charitable activities:	1					
Teaching, research and residential		5,715	-	-	5,715	7,040
Other Trading Income	3	250	-	-	250	555
Donations and legacies	2	779	1,596	177	2,552	4,589
Investments						
Investment income	4	201	27	1,406	1,634	1,157
Total return allocated to income	13	1,243	1,200	(2,443)	-	-
Other income-CJRS government grant		240	-	-	240	-
Total Income		8,428	2,823	(860)	10,391	13,341
EXPENDITURE ON:						
	5					
Charitable activities:						
Teaching, research and residential		9,387	1,485	-	10,872	11,816
Generating funds:						
Fundraising		537	-	-	537	629
Trading expenditure		238	-	-	238	492
Investment management costs		71	-	589	660	1,204
Total Expenditure		10,233	1,485	589	12,307	14,141
Net Income/(Expenditure) before gains		(1,805)	1,338	(1,449)	(1,916)	(800)
Net (losses) / gains on investments	10,11,13	-	-	(62)	(62)	4,982
Net Income/(Expenditure)		(1,805)	1,338	(1,511)	(1,978)	4,182
Transfers between funds	18	1,520	(1,199)	(321)	-	-
Net movement in funds for the year		(285)	139	(1,832)	(1,978)	4,182
Fund balances brought forward	18	51,226	5,040	76,707	132,973	128,791
Funds carried forward at 31 July		50,941	5,179	74,876	130,995	132,973

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

Exeter College
Consolidated and College Balance Sheets
As at 31 July 2020

	Notes	2020 Group £'000	2019 Group £'000	2020 College £'000	2019 College £'000
FIXED ASSETS					
Tangible assets	9	60,735	61,573	61,432	62,270
Property investments	10	22,689	21,141	19,589	21,141
Other Investments	11	52,071	55,163	55,274	55,566
Total Fixed Assets		135,495	137,877	136,295	138,977
CURRENT ASSETS					
Stocks		95	97	95	96
Debtors	14	873	1,187	1,226	1,339
Investments		6,200	-	6,200	-
Cash at bank and in hand		4,070	10,791	3,572	10,207
Total Current Assets		11,238	12,075	11,093	11,642
LIABILITIES					
Creditors: Amounts falling due within one year	15	1,893	1,358	1,867	1,340
NET CURRENT ASSETS		9,345	10,717	9,226	10,302
TOTAL ASSETS LESS CURRENT LIABILITIES		144,840	148,594	145,521	149,279
CREDITORS: falling due after more than one year	16	12,000	13,600	12,000	13,600
NET ASSETS BEFORE PENSION LIABILITY		132,840	134,994	133,521	135,679
Defined benefit pension scheme liability	22	1,845	2,021	1,845	2,021
TOTAL NET ASSETS		130,995	132,973	131,676	133,658
FUNDS OF THE COLLEGE					
	18				
Endowment funds		74,876	76,707	74,876	76,707
Restricted funds		5,179	5,040	5,179	5,040
Unrestricted funds					
Designated funds		48,758	49,063	49,455	49,759
General funds		2,183	2,163	2,167	2,152
		130,995	132,973	131,676	133,658

The financial statements were approved and authorised for issue by the Governing Body of Exeter College on 2 December 2020

Professor Sir Richard Trainor (Trustee):

Mr Nicholas Badman (Trustee):

Exeter College
Consolidated Statement of Cash Flows
For the year ended 31 July 2020

		2020	2019
	Notes	£'000	£'000
Net cash from/(used in) operating activities	25	(1,590)	671
Cash flows from investing activities			
Dividends, interest and rents from investments		1,543	1,157
Purchase of property, plant and equipment		(684)	(374)
Proceeds from sale of investments		2,382	10,740
Purchase of investments		(900)	(8,052)
Net additions to current asset investments		(6,200)	-
Net cash provided by / (used in) investing activities		(3,859)	3,471
Cash flows from financing activities			
Repayments of borrowing		(800)	(800)
Finance costs paid		(649)	(668)
Receipt of endowment donations		177	229
Net cash used in financing activities		(1,272)	(1,239)
Change in cash and cash equivalents in the reporting period		(6,721)	2,903
Cash and cash equivalents at the beginning of the reporting period		10,791	7,888
Cash and cash equivalents at the end of the reporting period	26	4,070	10,791

Exeter College
Notes to the financial statements
For the year ended 31 July 2020

1 INCOME FROM CHARITABLE ACTIVITIES

	2020	2019
	£'000	£'000
Teaching, Research and Residential		
Unrestricted funds		
Tuition fees - UK and EU students	1,457	1,443
Tuition fees - Overseas students	1,045	1,062
Other fees	86	83
Other HEFCE support	176	163
Other academic income	299	198
College residential income	2,652	4,091
Total Teaching, Research and Residential	5,715	7,040
Total income from charitable activities	5,715	7,040

The above analysis includes £1,446k received from Oxford University from publicly accountable funds under the CFF Scheme (2019: £1,507k).

2 DONATIONS AND LEGACIES

	2020	2019
	£'000	£'000
Donations and Legacies		
Unrestricted funds	779	687
Restricted funds	1,596	3,673
Endowed funds	177	229
	2,552	4,589

3 INCOME FROM OTHER TRADING ACTIVITIES

	2020	2019
	£'000	£'000
Subsidiary company trading income	225	555
Other trading income	25	-
	250	555

4 INVESTMENT INCOME

	2020	2019
	£'000	Restated £'000
<i>Unrestricted funds</i>		
Commercial rent	177	208
Interest on fixed term deposits and cash	22	18
Other investment income	1	-
Bank interest	1	-
	201	226
<i>Restricted funds</i>		
Interest on fixed term deposits and cash	27	22
	27	22
<i>Endowed funds</i>		
Agricultural rent	293	149
Other property income	547	150
Equity dividends	566	610
	1,406	909
Total Investment income	1,634	1,157

Under the College's investment mandate, the profile of the return focuses on growth by capital gain as well as dividend return.

Exeter College
Notes to the financial statements
For the year ended 31 July 2020

5 ANALYSIS OF EXPENDITURE

	2020	2019
	£'000	£'000
Charitable expenditure		
Direct staff costs allocated to:		
Teaching, research and residential	4,627	4,146
Other direct costs allocated to:		
Teaching, research and residential	3,211	3,495
Support and governance costs allocated to:		
Teaching, research and residential	3,034	4,175
Total charitable expenditure	10,872	11,816
Expenditure on generating funds		
Direct staff costs allocated to:		
Fundraising	365	313
Trading expenditure	-	265
Other direct costs allocated to:		
Fundraising	101	242
Trading expenditure	232	177
Investment management costs	657	1,203
Support and governance costs allocated to:		
Fundraising	71	74
Trading expenditure	6	50
Investment management costs	3	1
Total expenditure on raising funds	1,435	2,325
Total expenditure	12,307	14,141

The 2019 expenditure of £14,141k was represented by £11,892k from unrestricted funds, £1,750k from restricted funds and £499k from endowed funds.

The College is liable to be assessed for Contribution under the provisions of a new replacement for Statute XV of the University of Oxford. The Contribution Fund is used to make grants and loans to colleges on the basis of need. The new College Contribution Scheme has been approved by the Council of the University, Congregation and Her Majesty in Council and will run for a fixed period of ten years, ending in the accounts prepared at 31 July 2029. The College's contribution is determined annually based on performance. The papers agreed by Council clearly set out that the charge due for a year is payable in that year and therefore no outstanding liability in respect of 2019-20 exists. No provision has therefore been made in these accounts. The teaching and research costs include a College Contribution of £32k (2019: £23k).

6 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

Year ended July 2020	Generating Funds £'000	Teaching and Research £'000	2020 Total £'000
Financial and domestic administration	54	625	679
Human resources	-	117	117
IT	-	259	259
Depreciation	17	1,503	1,520
Bank interest payable	-	649	649
Other finance charges	-	(175)	(175)
Governance costs	9	55	64
	80	3,033	3,113

Exeter College
Notes to the financial statements
For the year ended 31 July 2020

Year ended July 2019	Generating Funds £'000	Teaching and Research £'000	2019 Total £'000
Financial and domestic administration	72	589	661
Human resources	-	154	154
IT	-	258	258
Depreciation	51	1,508	1,559
Bank interest payable	-	668	668
Other finance charges	-	965	965
Governance costs	2	33	35
	125	4,175	4,300

Financial and domestic administration, IT and human resources costs are attributed according to the estimated staff time spent on each activity. Depreciation costs and profit or loss on disposal of fixed assets are attributed according to the use made of the underlying assets. Interest and other finance charges are attributed according to the purpose of the related financing. Governance costs are allocated according to the time spent on each activity.

	2020 £'000	2019 £'000
Governance costs comprise:		
Auditor's remuneration - audit services (current year)	26	28
Auditor's remuneration - other services	3	7
Legal and other fees on constitutional matters	35	-
	64	35

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.

7 GRANTS AND AWARDS

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

	2020 £'000	2019 £'000
Unrestricted funds		
Grants to individuals:		
Scholarships, prizes and grants	63	75
Bursaries and hardship awards	6	5
Graduate studentships	20	12
Total unrestricted	89	92
Restricted funds		
Grants to individuals:		
Scholarships, prizes and grants	40	50
Bursaries and hardship awards	139	109
Graduate studentships	471	471
Total restricted	650	630
Total grants and awards	739	722

Within the bursaries and hardships awards figure above, is the cost to the College of the Oxford Bursary Scheme. Students of this College received £85k (2019: £80k) of Oxford Bursaries. Some of those students also received fee waivers amounting to £nil (2019: £1k).

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

Exeter College
Notes to the financial statements
For the year ended 31 July 2020

8 STAFF COSTS

	2020	2019
	£'000	£'000
The aggregate staff costs for the year were as follows:		
Salaries and wages	4,594	4,452
Social security costs	359	354
Pension costs:		
Defined benefit schemes	796	676
Movement in pension deficit liability	(176)	965
	5,573	6,447

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

	2020	2019
Tuition and research	30	27
College residential	89	91
Fundraising	6	7
Support	12	11
Total	137	136

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

University Lecturers	16	14
CUF Lecturers	11	11
Other teaching and research	8	5
Other	6	6
Total	41	36

The following information relates to the employees of the College excluding the College Trustees. Details of the remuneration and reimbursed expenses of the College Trustees is included as a separate note in these financial statements.

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

£60,001-£70,000	-	1
The number of the above employees with retirement benefits accruing in defined benefit schemes was	-	1

Exeter College
Notes to the financial statements
For the year ended 31 July 2020

9 TANGIBLE FIXED ASSETS

Group:	Freehold land and buildings £'000	Plant and machinery £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost				
At start of year	70,856	-	2,316	73,172
Additions	589	-	93	682
At end of year	71,445	-	2,409	73,854
Depreciation and impairment				
At start of year	9,986	-	1,613	11,599
Depreciation charge for the year	1,355	-	165	1,520
At end of year	11,341	-	1,778	13,119
Net book value				
At end of year	60,104	-	631	60,735
At start of year	60,870	-	703	61,573
College:				
Cost				
At start of year	71,553	-	2,316	73,869
Additions	589	-	93	682
Disposals	-	-	-	-
At end of year	72,142	-	2,409	74,551
Depreciation and impairment				
At start of year	9,986	-	1,613	11,599
Charge for the year	1,355	-	165	1,520
At end of year	11,341	-	1,778	13,119
Net book value				
At end of year	60,801	-	631	61,432
At start of year	61,567	-	703	62,270

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

Exeter College
Notes to the financial statements
For the year ended 31 July 2020

10 PROPERTY INVESTMENTS

Group	Agricultural	Other	2020	2019
	£'000	£'000	Total £'000	Total £'000
Valuation at start of year	14,216	6,925	21,141	18,346
Additions and improvements at cost	-	-	-	520
Revaluation gains/(losses) in the year	1,508	40	1,548	2,275
Valuation at end of year	15,724	6,965	22,689	21,141
College			2020	2019
	Agricultural	Other	Total	Total
	£'000	£'000	£'000	£'000
Valuation at start of year	14,216	6,925	21,141	18,346
Additions and improvements at cost	-	-	-	520
Disposals	(3,100)	-	(3,100)	-
Revaluation gains/(losses) in the year	1,508	40	1,548	2,275
Valuation at end of year	12,624	6,965	19,589	21,141

A formal valuation of the agricultural and other properties was prepared by Savills, the College Land Agent as at 31 July 2020, the basis of the valuation being open market value as defined by the RICS Appraisal and Valuation Manual. During the year, the College sold the North Oxford Golf site to its wholly owned property development subsidiary, Checker Hall Company Ltd. The sale was for £3.10m, realising a net gain of £1.45m and the consideration was made in exchange for share ownership in the company.

11 OTHER INVESTMENTS

All investments are held at fair value.

	2020	2019
	£'000	£'000
Group investments		
Valuation at start of year	55,163	55,664
New money invested	900	7,532
Amounts withdrawn	(2,382)	(10,740)
(Decrease)/increase in value of investments	(1,610)	2,707
Group investments at end of year	52,071	55,163
Investment in subsidiaries	3,203	403
College investments at end of year	55,274	55,566

Exeter College
Notes to the financial statements
For the year ended 31 July 2020

Group investments comprise:	Held outside the UK £'000	Held in the UK £'000	2020 Total £'000	Held outside the UK £'000	Held in the UK £'000	2019 Total £'000
Equity investments	22,208	15,815	38,023	16,937	21,109	38,046
Global multi-asset funds	3,121	166	3,287	3,486	668	4,154
Property funds	1,010	1,034	2,044	-	2,208	2,208
Fixed interest stocks	2,451	-	2,451	1,360	2,268	3,628
Fixed term deposits and cash	-	6,266	6,266	-	7,127	7,127
Total group investments	28,790	23,281	52,071	21,783	33,380	55,163

12 PARENT AND SUBSIDIARY UNDERTAKINGS

The College has the following wholly owned subsidiaries: Exeter College Trading Limited, a company providing conference and other event services on the College premises, Collexoncotoo Limited, a company providing design and build construction services to the College, Yew Tree Hill Development Company Limited, a property investment company and Checker Hall Company Limited, a property investment company which was incorporated on 5 June 2020.

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

	Exeter College £'000	Exeter College Trading Ltd £'000	Collexonco- too Ltd £'000	Yew Tree Hill Dev Co Ltd £'000	Checker Hall Co Ltd £'000
Income	9,805	226	23	381	-
Expenditure	(12,118)	(213)	(25)	(57)	-
Result for the year	(2,313)	13	(2)	324	-
Donation to College under gift aid	337	(13)	-	(324)	-
Movement in reserves	(1,976)	-	(2)	-	-
Total assets	147,388	23	74	385	3,150
Total liabilities	(15,712)	(23)	(65)	(333)	-
Net funds at the end of year	131,676	-	9	52	3,150

Exeter College
Notes to the financial statements
For the year ended 31 July 2020

13 STATEMENT OF INVESTMENT TOTAL RETURN

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

	Permanent Endowment		Expendable	Total
	Trust for	Unapplied	Endowment	Endowments
	Investment	Total		
	£'000	Return	£'000	£'000
		£'000		
		Total		
		£'000		
At the beginning of the year:				
Gift component of the permanent endowment	15,485	-	-	15,485
Unapplied total return	-	16,573	-	16,573
Expendable endowment	-	-	44,649	44,649
Total Endowments	15,485	16,573	44,649	76,707
Movements in the reporting period:				
Gift of endowment funds	154	-	23	177
Investment return: total investment income	-	589	817	1,406
Investment return: realised / unrealised gains & losses	-	(26)	(36)	(62)
Less: Investment management costs	-	(247)	(342)	(590)
Total	154	317	462	932
Unapplied total return allocated to income in the reporting period	-	(1,024)	(1,419)	(2,443)
Expendable endowments transferred to income	-	-	(321)	(321)
Total allocation	-	(1,024)	(1,740)	(2,764)
Net movements in reporting period	154	(708)	(1,278)	(1,832)
At end of the reporting period:				
Gift component of the permanent endowment	15,639	-	-	15,639
Unapplied total return	-	15,866	-	15,866
Expendable endowment	-	-	43,371	43,371
Total Endowments	15,639	15,866	43,371	74,876
STATEMENT OF INVESTMENT TOTAL RETURN (prior year)				
	Permanent Endowment		Expendable	Total
	Trust for	Unapplied	Endowment	Endowments
	Investment	Total		
	£'000	Return	£'000	£'000
		£'000		
		Total		
		£'000		
At the beginning of the year:				
Gift component of the permanent endowment	15,369	-	-	15,369
Unapplied total return	-	15,630	-	15,630
Expendable endowment	-	-	43,534	43,534
Total Endowments	15,369	15,630	43,534	74,533
Movements in the reporting period:				
Gift of endowment funds	116	-	113	229
Investment return: total investment income	-	367	513	880
Investment return: realised / unrealised gains & losses	-	2,074	2,908	4,982
Less: Investment management costs	-	(499)	(699)	(1,198)
Total	116	1,942	2,835	4,893
Unapplied total return allocated to income in the reporting period	-	(999)	(1,401)	(2,400)
Expendable endowments transferred to income	-	-	(319)	(319)
Total allocation	-	(999)	(1,720)	(2,719)
Net movements in reporting period	116	943	1,115	2,174
At end of the reporting period:				
Gift component of the permanent endowment	15,485	-	-	15,485
Unapplied total return	-	16,573	-	16,573
Expendable endowment	-	-	44,649	44,649
Total Endowments	15,485	16,573	44,649	76,707

Exeter College
Notes to the financial statements
For the year ended 31 July 2020

14 DEBTORS

	2020	2019	2020	2019
	Group	Group	College	College
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade debtors	132	333	131	279
Provision for bad debt	(86)	(38)	(86)	(36)
Amounts owed by Group undertakings	-	-	354	384
Prepayments and accrued income	689	574	689	574
Other debtors	138	318	138	138
	873	1,187	1,226	1,339

15 CREDITORS: falling due within one year

	2020	2019	2020	2019
	Group	Group	College	College
	£'000	£'000	£'000	£'000
Bank loans	800	-	800	-
Trade creditors	313	430	307	422
Taxation and social security	79	76	86	94
College contribution	-	23	-	23
Accruals and deferred income	358	531	322	510
Other creditors	343	298	352	291
	1,893	1,358	1,867	1,340

Deferred income comprises £32k (2019: £84k) for conference deposits, £52k (2019: £120k) for Summer School income and £24k (2019: 32k) for student vacation rent, all income of which relates to the following financial year. Other creditors include £44k (2019: £3k) course fees received in advance.

	2020	2019	2020	2019
	Group	Group	College	College
	£'000	£'000	£'000	£'000
Deferred income at start of year	249	227	249	227
Deferred income released in the year	(249)	(227)	(249)	(227)
New income deferred to following year	108	249	108	249
Deferred income at end of year	108	249	108	249

Exeter College
Notes to the financial statements
For the year ended 31 July 2020

16 CREDITORS: falling due after more than one year

	2020	2019	2020	2019
	Group	Group	College	College
	£'000	£'000	£'000	£'000
Bank loans - due in less than 5 years	12,000	13,600	12,000	13,600
	12,000	13,600	12,000	13,600

A revolving facility and/or term loan agreement has been arranged enabling the College to borrow up to a maximum of £12m and carries interest at 0.55% above LIBOR. The loan is fully utilised and comprises £10m carrying interest of 5.16% and £2m carrying interest of 5.13%. Both facilities mature on 27 March 2022.

An additional revolving credit facility to enable the College to borrow up to £4m was signed in 2016, as short term funding for the Cohen Quad project. This is being repaid in instalments from the proceeds of a signed pledge which is due to be received over five years from 2017 to 2021. The fourth instalment of £800k was repaid during the year. The loan carries interest at 1% above LIBOR and the maximum term of the loan is five years. Early repayment of the loan can be made without penalty.

17 PROVISIONS FOR LIABILITIES AND CHARGES

There were no new provisions at the year end.

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18 ANALYSIS OF MOVEMENTS ON FUNDS

	At 1 August 2019 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2020 £'000
Endowment Funds - Permanent	32,058	743	(247)	(1,023)	(26)	31,505
Tuition & Fellowship Support	14,435	388	(112)	(463)	(12)	14,236
Scholarships, Exhibitions, Prizes and Travel Funds	5,207	96	(40)	(165)	(4)	5,094
Studentships	9,889	181	(76)	(314)	(8)	9,672
Student Assistance, Bursaries and Hardship	2,351	75	(18)	(76)	(2)	2,330
Other Funds	176	3	(1)	(5)	-	173
Endowment Funds - Expendable	44,649	840	(342)	(1,741)	(35)	43,371
Tuition & Fellowship Support	4,668	85	(36)	(148)	(4)	4,565
Studentships	1,745	32	(13)	(70)	(1)	1,693
Student Assistance, Bursaries and Hardship	2,707	73	(21)	(87)	(2)	2,670
Other Funds	535	10	(4)	(17)	-	524
Exeter College Main Fund	34,994	640	(268)	(1,419)	(28)	33,919
Total Endowment Funds - Group and College	76,707	1,583	(589)	(2,764)	(62)	74,876
Restricted Funds						
Tuition & Fellowship Support	264	400	(772)	611	-	503
Scholarships, Exhibitions, Prizes and Travel Funds	109	-	(19)	34	-	124
Studentships	647	202	(448)	385	-	787
Student Assistance, Bursaries and Hardship	170	5	(142)	162	-	195
Other Funds	3,850	1,015	(104)	(1,192)	-	3,570
Total Restricted Funds - Group and College	5,040	1,623	(1,485)	1	-	5,179
Unrestricted Funds						
Designated funds						
Fixed Asset Reserve	48,670	-	-	(735)	-	47,935
Other Designated Reserves	1,089	442	(11)	-	-	1,520
General funds	2,153	6,743	(10,222)	3,499	-	2,173
Total Unrestricted Funds - College	51,912	7,185	(10,233)	2,764	-	51,628
Unrestricted funds held by subsidiaries	10	-	-	-	-	10
Consolidation adj on Construction Contract with Subsidiary	(696)	-	-	(1)	-	(697)
Total Unrestricted Funds - Group	51,226	7,185	(10,233)	2,763	-	50,941
Total Funds	132,973	10,391	(12,307)	-	(62)	130,995
Transfers Detail	Unrestrict-ed funds	Designated funds	Restricted funds	Permanent Endowment	Expendable Endowment	Total
Transfer for investment total return	1,658	-	785	(1,023)	(1,420)	-
Removal of restriction on CQ fund	800	-	(800)	-	-	-
Additional transfer from endowment	305	-	16	-	(321)	-
Removal of restriction on Library funds	-	415	(415)	-	-	-
Designation in year	735	(735)	-	-	-	-
Total	3,498	(320)	(414)	(1,023)	(1,741)	-

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

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ANALYSIS OF MOVEMENTS ON FUNDS (prior year)

	At 1 August 2018 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2019 £'000
Endowment Funds - Permanent	31,000	483	(499)	(999)	2,073	32,058
Tuition & Fellowship Support	13,895	281	(224)	(450)	933	14,435
Scholarships, Exhibitions, Prizes and Travel Funds	5,053	60	(81)	(162)	337	5,207
Studentships	9,598	113	(154)	(308)	640	9,889
Student Assistance, Bursaries and Hardship	2,282	27	(37)	(73)	152	2,351
Other Funds	172	2	(3)	(6)	11	176
Endowment Funds - Expendable	43,534	113	-	(1,904)	2,908	44,649
Tuition & Fellowship Support	4,531	-	-	(165)	302	4,668
Studentships	1,705	-	-	(74)	114	1,745
Student Assistance, Bursaries and Hardship	2,515	113	-	(95)	174	2,707
Other Funds	518	-	-	(18)	35	535
Exeter College Main Fund	34,264	-	-	(1,553)	2,283	34,994
Total Endowment Funds - Group and College	74,533	596	(499)	(2,904)	4,981	76,707
Restricted Funds						
Tuition & Fellowship Support	131	489	(970)	614	-	264
Scholarships, Exhibitions, Prizes and Travel Funds	107	-	(32)	34	-	109
Studentships	669	89	(494)	383	-	647
Student Assistance, Bursaries and Hardship	147	34	(179)	168	-	170
Other Funds	1,540	3,171	(75)	(786)	-	3,850
Total Restricted Funds - Group and College	2,594	3,783	(1,750)	413	-	5,040
Unrestricted Funds						
Designated funds						
Fixed Asset Reserve	49,049	-	-	(379)	-	48,670
Other Designated Reserves	991	215	(117)	-	-	1,089
General funds	2,305	8,747	(11,775)	2,875	1	2,153
Total Unrestricted Funds - College	52,345	8,962	(11,892)	2,496	1	51,912
Unrestricted funds held by subsidiaries	10	-	-	-	-	10
Consolidation adj on Construction Contract with Sub.	(691)	-	-	(5)	-	(696)
Total Unrestricted Funds - Group	51,664	8,962	(11,892)	2,491	1	51,226
Total Funds	128,791	13,341	(14,141)	-	4,982	132,973
Transfers Detail	Unrestricted funds	Designated funds	Restricted funds	Permanent Endowment	Expendable Endowment	Total
Transfer for investment total return	1,374	-	1,224	(999)	(1,599)	-
Removal of restriction on CQ fund	811	-	(811)	-	-	-
Additional transfer from endowment	306	-	-	-	(306)	-
Designation in year	379	(379)	-	-	-	-
Total	2,870	(379)	413	(999)	(1,905)	-

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

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19 FUNDS OF THE COLLEGE DETAILS

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

Endowment Funds - Permanent:

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

Endowment Funds - Expendable:

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

Restricted Funds:

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

Designated Funds

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

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

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20 ANALYSIS OF NET ASSETS BETWEEN FUNDS

As at 31 July 2020

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2020 Total £'000
Tangible fixed assets	60,735	-	-	60,735
Borrowings on acquisition of fixed assets	(12,000)	-	-	(12,000)
Property investments	-	-	22,689	22,689
Securities and other investments	-	-	52,071	52,071
Net current assets (including pension provision)	2,206	5,179	116	7,500
	50,941	5,179	74,876	130,995

As at 31 July 2019

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2019 Total £'000
Tangible fixed assets	61,573	-	-	61,573
Borrowings on acquisition of fixed assets	(13,600)	-	-	(13,600)
Property investments	-	-	21,141	21,141
Securities and other investments	-	-	55,163	55,163
Net current assets (including pension provision)	3,253	5,040	403	8,696
	51,226	5,040	76,707	132,973

21 TRUSTEES' REMUNERATION

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

Trustees of the college fall into the following categories:

Rector
 Professorial Fellow
 Official Fellow
 Fellow by Special Election
 Research Fellow

Those Trustees who are also employees of the College receive salaries for their work as employees. These salaries are paid on external academic and academic-related scales and often are joint arrangements with the University of Oxford. 28 Official Fellows are on a joint appointment with the University of Oxford. The remuneration disclosure below relates to remuneration that is paid by the College.

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

Some Trustees receive additional allowances for additional work carried out as part time College officers, for example, the Sub-Rector, Computing Fellow and Fellow Librarian. These amounts are included within the remuneration figures below.

The total remuneration and taxable benefits as shown below is £1,525,784 (2019: £1,341,982). The total of pension contributions are £287,380 (2019: £226,526).

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

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

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Remuneration paid to Trustees

Range	2020		2019	
	Number of Trustees/Fellows	Gross remuneration, taxable benefits and pension contributions £	Number of Trustees/Fellows	Gross remuneration, taxable benefits and pension contributions £
£3000 - £3999	-	-	1	3,146
£4000 - £4999	1	4,023	-	-
£6000 - £6999	-	-	1	6,724
£8000 - £8999	-	-	1	8,793
£9000 - £9999	1	9,558	-	-
£10000 - £10999	1	10,968	2	21,343
£11000 - £11999	1	11,452	-	-
£13000 - £13999	2	26,790	-	-
£17000 - £17999	1	17,463	-	-
£20000 - £20999	-	-	2	41,450
£21000 - £21999	1	21,824	-	-
£22000 - £22999	-	-	7	158,955
£23000 - £23999	8	190,735	1	23,751
£24000 - £24999	3	73,621	-	-
£25000 - £25999	-	-	1	25,312
£26000 - £26999	1	26,865	-	-
£29000 - £29999	1	29,392	1	29,127
£30000 - £30999	1	30,001	2	60,900
£31000 - £31999	1	31,310	1	31,860
£33000 - £33999	2	66,486	-	-
£36000 - £36999	1	36,847	1	36,942
£40000 - £40999	1	40,688	-	-
£41000 - £41999	-	-	1	41,665
£44000 - £44999	1	44,402	-	-
£45000 - £45999	1	45,396	2	90,453
£46000 - £46999	-	-	1	46,843
£47000 - £47999	2	94,350	1	47,669
£48000 - £48999	1	48,155	1	48,492
£51000 - £51999	1	51,782	1	51,823
£52000 - £52999	2	105,203	-	-
£55000 - £55999	1	55,281	3	167,583
£56000 - £56999	-	-	1	56,884
£58000 - £58999	1	58,238	-	-
£59000 - £59999	1	59,514	-	-
£65000 - £65999	1	65,975	-	-
£73000 - £73999	1	73,047	-	-
£83000 - £83999	-	-	1	83,166
£85000 - £85999	-	-	2	171,730
£89000 - £89999	1	89,719	-	-
£90000 - £90999	-	-	1	90,552
£92000 - £92999	1	92,997	-	-
£94000 - £94999	1	94,372	-	-
£96000 - £96999	1	96,277	-	-
£105000 - £105999	-	-	1	105,119
£110000 - £110999	1	110,433	-	-
£118000 - £118999	-	-	1	118,226
Total	45	1,813,164	38	1,568,508

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

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

Other transactions with trustees

Total expenses of £26,343 were paid to 31 trustees (2019: £25,493 to 21 trustees). Of this total, £8,035 (2019: £1,613) was reimbursed travel costs, £13,490 (2019: £18,398) was reimbursed book, research and entertainment allowances and £4,818 (2019: £5,482) was other minor general expenditure incurred in their capacity as a Fellow of the College. See also Note 30 Related Party Transactions.

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Key management remuneration

The total remuneration paid to key management, of whom a number are trustees, was £683k (2019: £668k).

Key management are considered to be the Rector, Finance & Estates Bursar, Academic Dean, Domestic Bursar, College Accountant, Director of Development and Alumni Relations and the Academic Registrar.

22 PENSION SCHEMES

The College participates in two principal 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 Statement of Financial Activities 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.

Other pension schemes

The College has made available a National Employment Savings Trust (NEST) for casual workers who are eligible to pension benefits under automatic enrolment regulations.

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

Actuarial Valuations

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

	USS	OSPS
Date of valuation:	31/03/2018	31/03/2019
Date valuation results published:	16/09/2019	19/06/2020
Value of liabilities:	£67.3bn	£848m
Value of assets:	£63.7bn	£735m
Funding (deficit):	(£3.6bn)	(£113m)
Principal assumptions:		
- Discount rate	CPI - 0.73% to CPI +2.52% a	Gilts +0.5%- 2.25% b
- Rate of increase in salaries	n/a	RPI
- Rate of increase in pensions	CPI c	Average RPI/CPI d
Assumed life expectancies on retirement at age 65:		
- Males currently aged 65	24.4 yrs	21.7 yrs
- Females currently aged 65	25.9 yrs	24.4 yrs
- Males currently aged 45	26.3 yrs	23.0 yrs
- Females currently aged 45	27.7 yrs	25.8 yrs
Funding ratios:		
- Technical provisions basis	95%	87%
- Statutory Pension Protection Fund basis	76%	74%
- 'Buy-out' basis	56%	60%
Recommended Employer's contribution rate	21.1% increasing	19%
(as a % of pensionable salaries):	to 23.7% by 01/10/2021	
Effective date of next valuation	31/03/2020	31/03/2022

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a. The discount rate (forward rates) for the USS valuation was:

Years 1-10: CPI + 0.14% reducing linearly to CPI - 0.73%

Years 11-20: CPI + 2.52% reducing linearly to CPI + 1.55% by year 21

Years 21 +: CPI + 1.55%

b. The discount rate for the OSPS valuation was:

Pre-retirement: Equal to the UK nominal gilt curve at the valuation date plus 2.25% p.a. at each term.

Post-retirement: Equal to the UK nominal gilt curve at the valuation date plus 0.5% p.a. at each term.

c. Pensions increases (CPI) for the USS valuation were:

Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.3% p.a.

d. Increases to pensions in payment for the OSPS valuation were:

RPI inflation is derived from the geometric difference between the UK nominal gilt curve and the UK index-linked curve at the valuation date, less 0.3% p.a. at each term. CPI inflation is derived from the RPI inflation assumption, less the Scheme Actuary's best estimate of the long-term difference between RPI and CPI inflation as applies from time to time (1.0% p.a. as at 31 March 2019). For pension increases linked to inflation, a pension increase curve is constructed based on either the RPI, CPI or the average of the RPI and CPI inflation curves described above, adjusted to allow for the different maximum and minimum annual increases that apply, and the Scheme Actuary's best estimate of inflation volatility as applies from time to time.

e. The USS and OSPS employer contribution rates include provisions for the cost of future accrual of defined benefits, deficit contributions, administrative expenses and defined contributions.

Sensitivity of actuarial valuation assumptions

Surpluses or deficits which arise at future valuations may impact on the College's future contribution commitment. The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

USS		
Assumption	Change in assumption	Impact on USS liabilities
Initial discount rate	increase by 0.1%	decrease by £1.2bn
Asset values	reduce by 10%	increase by £6.4bn
RPI – CPI spread	increase by 0.1%	decrease by £0.7bn
Rate of mortality	more prudent assumption (mortality rated down by a further year)	increase by £1.6bn

OSPS		
Assumption	Change in assumption	Impact on OSPS technical provisions
Valuation rate of interest	decrease by 0.25%	increase by £45m
RPI	increase by 0.25%	Increase by £40m

Deficit Recovery Plans

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

	USS	OSPS
Finish date for the deficit recovery plan	30/03/2028	30/01/2028
Average staff number increase	0%	0%
Average staff salary increase	2%	2%
Average discount rate over period	0.63%	0.74%
Effect of a 0.5% change in discount rate	£25k	£16k
Effect of a 1% change in staff growth	£51k	£50k

A provision of £1,845k has been made at 31 July 2020 (2019: £2,021k) 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.

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Pension charge for the year

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

The USS pension charge for the year of -£5k represents contributions of £505k payable to the USS (2019: £411k) as adjusted by the change in the deficit funding liability between the opening and closing balance sheet dates of -£510k (2019: 1,029k).

The OSPS pension charge for the year of 626k represents contributions of £291k (2019: £265k) payable to the OSPS as adjusted by the change in the deficit funding liability between the opening and closing balance sheet dates of £335k (2019: -£29k).

Scheme	2020	2019
	£'000s	£'000s
Universities Superannuation Scheme (USS)	-5	1,440
University of Oxford Staff Pension Scheme (OSPS)	626	236
Other schemes - contributions	0	0
Total	621	1,676

Defined benefit pension scheme liability

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

Scheme	2020	2019
	£'000s	£'000s
Universities Superannuation Scheme (USS)	1,037	1,547
University of Oxford Staff Pension Scheme (OSPS)	718	384
Provision for two ex-employee pensions	90	90
Total	1,845	2,021

Included in other creditors and accruals are pension contributions payable of £nil (2019: £nil).

23 TAXATION

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

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24 FINANCIAL INSTRUMENTS

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

Financial assets measured at fair value through profit or loss	2020			2019		
	Income £'000	Expense £'000	Gains / (losses) £'000	Income £'000	Expense £'000	Gains / (losses) £'000
	566	-	(1,610)	610	-	2,707

Financial assets that are debt instruments measured at amortised cost	2020		2019	
	Group £'000	College £'000	Group £'000	College £'000
Trade debtors	46	295	45	243
Accrued income	569	517	569	517
Other debtors	138	318	138	138
	753	1,130	752	898

Financial liabilities measured at amortised cost

	2020		2019	
	Group £'000	College £'000	Group £'000	College £'000
Bank loan - including due in more than one year	12,800	13,600	12,800	13,600
Trade creditors	313	430	307	422
Accruals	250	305	214	284
Other creditors	343	298	352	291
	13,706	14,633	13,673	14,597

25 RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATIONS

	2020	2019
	Group £'000	Group £'000
Net income	(1,978)	4,182
Reversal of non-operating cash flows:		
Investment income	(1,634)	(1,157)
(Gains)/Losses in investments	62	(4,982)
Endowment donations	(177)	(229)
Depreciation	1,520	1,559
Financing costs	649	668
(Increase)/Decrease in stock	2	(4)
Decrease in debtors	405	67
Decrease in creditors	(263)	(399)
(Decrease)/Increase in pension scheme liability	(176)	966
Net cash from/(used in) operating activities	(1,590)	671

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26 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2020	2019
	£'000	£'000
Cash at bank and in hand	4,070	10,791
Deposits and other short term investments	6,200	-
Total cash and current asset investments	<u>10,270</u>	<u>10,791</u>

NET DEBT:

	2019	Cash flow	Other	2020
	£'000	movements	movements	£'000
		£'000	£'000	
Cash at bank and in hand	10,791	(6,721)	-	4,070
Deposits and other short term investments	-	6,200	-	6,200
Loans due in less than one year	-	-	(800)	(800)
Loans due in more than one year	(13,600)	800	800	(12,000)
	<u>(2,809)</u>	<u>279</u>	<u>-</u>	<u>(2,530)</u>

27 FINANCIAL COMMITMENTS

At 31 July the College had the following commitments under non-cancellable operating leases. New leases were arranged during the year in order to provide more student accommodation.

	2020	2019
	£'000	£'000
Land and buildings		
falling due within one year	130	-
falling due between two and five years	135	-
	<u>265</u>	<u>-</u>
Other		
falling due within one year	11	6
falling due between two and five years	17	2
	<u>28</u>	<u>8</u>

28 OPERATING LEASE INCOME

At 31 July the College had contracted with tenants to receive the following future minimum lease payments:

	2020	2019
	£'000	£'000
Land and buildings		
falling due within one year	368	264
falling due between two and five years	771	583
falling due in over five years	8	17
	<u>1,147</u>	<u>864</u>

Exeter College
Notes to the financial statements
For the year ended 31 July 2020

29 CAPITAL COMMITMENTS

The College had contracted commitments at 31 July for future capital projects totalling £218k (2019: nil).

30 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 in Note 21 of these financial statements.

The College received income from and had outstanding balances with its wholly owned subsidiary entities as follows:

	2020	2019
	£'000	£'000
Income received from / (expenditure paid to):		
Exeter College Trading Ltd	249	496
Collexoncotoo Ltd	(20)	5
Exeter College Yew Tree Hill Development Company Ltd	350	113
	579	614
Outstanding balances receivable / (payable) as at 31 July:		
Exeter College Trading Ltd	(6)	22
Collexoncotoo Ltd	-	3
Yew Tree Hill Development Company Ltd	324	-
	318	25

31 CONTINGENT LIABILITIES

There were no material contingent liabilities at the balance sheet date (2019: £nil).

32 POST BALANCE SHEET EVENTS

On 2nd October 2020, the College sold Twyford Barn, an investment property in Oxfordshire realising a net gain of £115k.