



Exeter College

Annual Report and Financial Statements

Year ended 31 July 2016

EXETER COLLEGE
Annual Report and Financial Statements
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EXETER COLLEGE

Governing Body, Officers and Advisers

Year ended 31 July 2016

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)	(11)	(12)
Rector													
Professor Sir Richard Trainor		•	•	•	•	•	•	•	•	◆	•	•	•
Official Fellows													
Dr Michael Hart					•	•							
Prof Richard Vaughan-Jones					•		•			◆			
Ms Jeri Johnson		•		•	•	•	•		•			•	•
Dr Helen Spencer					•								
Dr Maureen Taylor		•			•		•						
Prof Faramerz Dabhoiwala	Demitted 1 Sept 2016				•				•				
Prof Jonathan Herring					•				•		•	•	
Dr Peter Johnson	Demitted 30 Sept 2016				•			•					
Prof Andrew Steane				•	•				•				•
Prof Simon Clarke				•	•								
Prof Zhongmin Qian					•								
Dr Jane Hiddleston					•								
Prof Christina de Bellaigue					•								
Mr William Jensen		•	•	•	•	•	◆	•	•	◆	•	•	•
Professor Cornelia Drutu					•								
Mrs Katrina Hancock		◆			•			•					•
Dr Chris Ballinger		•		•	•		•	•				•	•
Dr Philipp Kukura					•								
Prof Michael Osborne					•								
Prof Jared Tanner					•	•							

EXETER COLLEGE

Governing Body, Officers and Advisers

Year ended 31 July 2016

Trustee		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Dr James Grant					•								•
Prof Rachel Taylor				•	•							•	
Prof Karin Sigloch					•	•							
Dr Martin Davy				•	•								
Rev'd Mr Andrew Allen					•	•							
Dr Sophie Butler					•								
Dr Alice Brooke					•			•					
Dr Adrien Vigier	Appointed 8 Oct 2015				•								
Prof Conall MacNiocaill	Appointed 8 Oct 2015				•								
Prof Garret Cotter	Appointed 8 Oct 2015				•								
Fellows by Special Election													
Dr James Kennedy													
Professor Andrew Farmer										•			
Ms Helen Watson		•								•			
Dr Ian Fielding	Demitted 30 Sept 2016												
Dr Stephen Leonard			•										
Research Fellows													
Dr Jeffrey Donlea	Demitted 31 August 2015												
Dr Kai Hebel	Demitted 30 Sept 2015												
Dr Thomas Lambert	Demitted 31 Aug 2015												
Prof Robert Klose													
Dr Jason Carter	Appointed 8 Oct 2015				•								
Dr Christopher Markiewicz	Appointed 8 Oct 2015				•								
Dr Gail Hayward	Appointed 8 Oct 2015												
Professorial Fellows													
Prof Edwin Williamson													

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Governing Body, Officers and Advisers

Year ended 31 July 2016

Trustee	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Prof Marc Lauxtermann												
Mr Nigel Portwood		•							•			
Prof Dame Carol Robinson												
Prof Ervin Fodor		•										
Prof Christoph Tang									•			
Dr Chris Fletcher									•			
Prof Keith Channon						•						

The following Fellows were appointed during the academic year but admitted to Governing Body after the 31 July, at which time their duties as trustees began:

Official Fellows	
Dr Barnaby Taylor	Appointed 8 October 2016

During the year the activities of the Governing Body were carried out through twelve committees. The membership of these committees during the 2015/16 academic year is shown above for each Fellow.

- (1) Finance and Estates Committee
- (2) Investment and Accounts Committee
- (3) Rector and Tutors Committee
- (4) Tutorial Board
- (5) Staff Committee
- (6) Fellowship Review Committee
- (7) Development Committee
- (8) Governance and Policy Committee
- (9) Remuneration and Benefits Committee
- (10) Health & Safety Committee
- (11) Equality Review Committee
- (12) Buildings Committee

◆ Represents in attendance

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

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Governing Body, Officers and Advisers

Year ended 31 July 2016

COLLEGE SENIOR STAFF

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

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

COLLEGE ADVISERS

Investment Advisers

Sand Aire Ltd
105 Wigmore Street
LONDON
W1U 1QY

Land Agents

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

Property Adviser & Planning Consultant

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

Auditor

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

Bankers

Barclays Bank Plc
Corporate Services
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

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Governing Body, Officers and Advisers

Year ended 31 July 2016

Bankers (*cont'd*)

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

Solicitors

Darbys Solicitors LLP
52 New Inn Hall Street
OXFORD
OX1 2DN

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

Maples Teesdale LLP
30 King Street
LONDON EC2V 8EE

Stone King Solicitors
28 Ely Place
LONDON EC1N 6TD

College address

Turl Street,
Oxford,
OX1 3DP

Website

www.exeter.ox.ac.uk

EXETER COLLEGE

Report of the Governing Body

Year ended 31 July 2016

The Members of the Governing Body present their Annual Report for the year ended 31 July 2016 under the Charities Act 2011 together with the audited financial statements for the year.

REFERENCE AND ADMINISTRATIVE INFORMATION

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

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

Governing Body

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

The Finance & Estates 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 Tutorial Board, which is responsible for student academic performance and the Rector & Tutors' Committee which awards grants and scholarships.

Recruitment and training of Members of the Governing Body

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

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

Trustee indemnity insurance is in place for the College.

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Report of the Governing Body

Year ended 31 July 2016

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

- The Finance and Estates 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 and Accounts Committee is responsible for the oversight and operation of the College's global investment portfolio and of its investment property.
- The Rector & Tutors' Committee is responsible for the welfare of students and for the allocation of hardship funds, academic grants and financial support for the student cultural and sporting clubs and societies.
- The Tutorial Board is responsible for the academic strategy of the College, the academic progress of its students and for the terms of reference of academic appointments.
- 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 Fellowship Review 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 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.

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Year ended 31 July 2016

- The Equality Review Committee is responsible for the development, implementation, monitoring, prioritisation and review of policies, procedures and practice to support the College's Equality Policy and Public Sector Equality Duty in relation to staff, students, contractors and suppliers, visitors and others closely associated with the College.

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

Group structure and relationships

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

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

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

OBJECTIVES AND ACTIVITIES

Charitable Objects and Aims

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

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

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

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

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

The College measures its success by its appeal to professional academics and students as a place to study and by the results they achieve in the Oxford University Public Examinations and in the affirmation of research

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Report of the Governing Body

Year ended 31 July 2016

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.

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 500 full-time students: 316 full time undergraduates (of whom 267 were Home/EU/Islands, 49 were Overseas); 159 students engaged in full time postgraduate study or research, (including 51 taught-course students and 108 research students); 25 were visiting undergraduate students. The College's student body also included 27 part-time postgraduate students.

Eighty-eight undergraduates completed their courses in 2015–16, of whom 95% received First or Upper Second class Honours. Forty-seven postgraduates completed taught courses in 2015–16 (14 of them gaining Distinctions), and 20 research students successfully defended their theses.

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

In addition to the Oxford Bursary Scheme, which is operated and funded equally by the University of Oxford and the Colleges, Exeter College offers generous financial support to its students through hardship grants and academic grants. The College also has a number of graduate scholarship and bursary schemes funded from specific trusts. The total value of student support through bursaries and scholarships, including the Oxford Bursaries, was £489k (2015: £594k).

The way the Oxford Bursary Scheme is being administered within the Collegiate University, means that the College paid £79k as its share towards the full cost of the scheme. However, a total of 55 Exeter undergraduates received the Oxford Bursary from Exeter College, with 12 students receiving a Moritz-Heyman Bursary of either £4,500 or £5,500, 19 students received the maximum bursary of £3,300 and 1 received £4,300 which includes a first year start up bursary of £1,000. Thus, 20% of the HEU undergraduate population was in receipt of a bursary, and 7% of the undergraduate population was eligible for a full bursary. The total value of Oxford Bursaries provided to Exeter College students was £172k (2015: £223k). In addition to the provision of Oxford Bursaries, 56 undergraduates were entitled to Fee Remission. The total Fee Remission granted to the College's undergraduates was £105k, of which the College bore £27k.

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

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

Access programme 2016/17

Exeter has particular links with schools in Somerset, Devon and Cornwall under Oxford University's regionalisation programme, now in its 7th year, which ensures that schools and colleges in every part of the UK are systematically linked to Oxford Colleges or the University Admissions Office.

This year the College ran five regional conferences (jointly with Downing College, Cambridge): multi-school events for sixth formers based in Devon and Cornwall. These events involved Outreach staff and Admissions

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Tutors from both Oxford and Cambridge, and, by renting 'neutral' venues for some events (locations not linked to a particular school or college), we were able to work with students from more institutions than ever before.

As in previous years, Exeter ran a residential programme in Oxford for Sixth Formers from Devon and Cornwall. Feedback from this event (which included admissions information, college and library tours, and a demonstration interview, among other activities) was positive overall, and there are plans to increase capacity for the 2017 residential, and to open up residential spaces for students from Somerset.

Many other school visits were undertaken throughout the year, both in Oxford and in the South-West. The Outreach and Undergraduate Admissions Officer did outbound visits to 19 schools (some of these events were attended by multiple schools from the local area), as well as attending independently-organised UCAS and Higher Education Fairs. In total, Exeter's Outreach work involved over 300 different schools and colleges in the course of the 2015-16 academic year (including events with many attendees – such as UCAS fairs, and faculty Open Days). We also welcomed over 30 different school groups to Exeter for events ranging from full 'Taster Days' to College tours.

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

The College also contributed to the University's UNIQ Summer School by hosting five Alumni evenings (with the involvement of Fellows and other guest speakers). The College continued to develop its Ambassador programme, by which it recruits and trains current undergraduates who volunteer with Access events.

The College is currently carrying out a review of its Outreach policy, to ensure that the Outreach Officer's time and budget is used in the most effective possible way. The new policy aims to allow suitable time for event organisation and evaluation, enabling us better to track our Outreach work and its impact.

ACHIEVEMENTS AND PERFORMANCE

Undergraduate students were awarded prestigious prizes by the University for excellent academic performance. These included: four Gibbs Prizes for the best performance in a subject in the University (History, Philosophy & Modern Languages, Maths & Philosophy, Earth Sciences); separately three awards of the Gibbs Book Prize (History, History, Biochemistry); two prizes for high performance in Biochemistry Part 1 examinations; two Shell prizes in Earth Sciences; three prizes for first year examinations (two in Modern Languages and one in Chemistry). Three University Prizes were awarded to Exeter's taught postgraduates; another was awarded the Oxford Global Justice Award by the Law Faculty.

Academic achievements of Fellows and Lecturers have been widely recognised. One Tutorial Fellow was awarded the title of Professor in Oxford University's Recognition of Distinction exercise; another was awarded a prestigious Philip Leverhulme Prize. A Research Fellow received the Francis Crick Prize from the Royal Society; a Lecturer was elected to become a Fellow of the British Academy. A Professorial Fellow was honoured by being elected a Corresponding Fellow of the Real Academia Española (Royal Spanish Academy), the oldest and foremost academy in the Spanish-speaking world. One career development Fellow secured a substantive post at a prestigious university.

The College's strategic objectives to create and maintain the highest quality College buildings, historic or new, necessary for acceptable, affordable living and teaching is being met with the finalisation of the construction of the College's new site on Walton Street. Cohen Quadrangle is referred to in more detail in the Financial Review below. The College continues to update its historic building on the Turl Street site, with Staircase 13 being fully refurbished over the 2016 summer vacation, Staircase 14 having been updated the previous summer.

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Report of the Governing Body

Year ended 31 July 2016

FINANCIAL REVIEW

The risks facing higher education throughout the UK changed fundamentally with the referendum vote to leave the European Union. Higher Education at the highest-performing level depends on international collaboration and an equality of opportunity with all other leading global universities to recruit the best academics and the best students regardless of nationality. International research funding, particularly from the European Union, is essential to the sustainability of many important research projects in the University of Oxford. Exeter College is inextricably bound into the fortunes of the University of Oxford, both by constitution and through the joint appointment system of academic recruitment and employment.

A hostile visa scheme for overseas students and academics would have harmful consequences for UK Higher Education as a whole and, given the international composition of the College's fellowship and student numbers, Exeter would be deeply affected.

The next principal challenge to the College is the successful completion of Cohen Quadrangle. To manage the risk of delay that would prevent occupation at the beginning of the new academic year in October, the College has contingency plans to accommodate students at a single hotel within Oxford. The College is advised by a team of consultants and specialist lawyers in managing the commercial risks of the project. Funding for the project has been met from a mixture of philanthropic gifts, sale of College property, additional transfers from the College's expendable and unrestricted endowment and a bank loan. During the year, it was agreed to transfer an additional £2m from the unrestricted endowment to finance construction costs.

Cohen Quadrangle will provide 90 student study bedrooms, a variety of offices for academics and seminar rooms for teaching, an environmentally-controlled, secure library for the College's manuscripts and special collections, an auditorium with a capacity of 110 persons and contemporary internal and external social space, including a café. Cohen Quadrangle will significantly increase the ability of the College to host seminars and lectures and to facilitate collaborative learning and research activities. The College is also exploring how best to use the site out of term-time for academic conferences and summer schools. The College has embarked on a 'study abroad' summer school to attract international students. It will have a high academic standard and will form the foundation for future expansion of educational programmes.

The College's consolidated total funds increased by £3.7m in the year, standing at £117.7m at 31 July 2016 (2015: £114m (as restated)). The endowment funds increased by £200k, the restricted funds decreased by £4.8m and the unrestricted funds increased by £8.4m.

The College's incoming resources were £8.4m (2015: £18.1m), of which £2.5m was from tuition fees, other academic income and other HEFCE support, £1.7m was from legacies and donations, £2.6m was from residential income, and £1m was from investment income. Donations for Cohen Quadrangle have been held in restricted funds; £4.8m of these restricted funds were spent on Cohen Quadrangle during the year. Fee income and investment income remained broadly the same as in 2015.

Total resources expended decreased from £9.5m to £9m, leaving the College with net incoming resources of £3.7m after investment gains. Of the £9m, £7.7m was spent directly on teaching, research and residential activity, with the balance being spent on activities which underpin the charitable purposes of the College.

With the introduction of the disclosure and calculation of a defined benefit pension scheme deficit liability, the balance sheet has reduced its assets by £1.16m, however General funds remain robust and at a level that the College is comfortable with, increasing by £800k during the year.

The total return for the College endowment in the year to 31 July 2016 was 7.4%. This lagged the performance of global equities over the same period – the MSCI All Country World Index rose by 18.3% - and the divergence can be attributed largely to the higher allocation to UK equities in the endowment equity component as compared with the MSCI index which has 52% in the US, and to the overall allocation to UK property assets in the endowment at approximately 31%. The Investment Committee also held larger cash balances than normal in the expectation of meeting further calls for Cohen Quadrangle. Private equity investments returned 21.3% to the portfolio and the dramatic fall in the exchange rate for sterling against the US dollar and the Euro was beneficial in the final month of the financial year.

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Year ended 31 July 2016

In August 2016, exchange took place of the balance of the land at Yew Tree Hill to the homebuilder Taylor Wimpey, leaving only the land designated for a care home and local centre to be marketed and sold as the development of housing advances.

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 £4.5m and with free reserves at 31 July 2016 being £1.5m this is lower than the policy target.

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

Total funds of the College and its subsidiaries at the year-end amounted to £117.8m (2015: £114m). This includes endowment capital of £68.7m and unspent restricted income funds totalling £4.5m. Free reserves at the year-end amounted to £1.5m (2015: £700k), representing retained unrestricted income reserves excluding an amount of £41.8m for the book value of tangible fixed assets less associated funding arrangements, and funds designated at the year-end amounting to £1.15m (2015: £11.18m).

Designated reserves at the year-end include £672k for expenditure on Cohen Quad and £260k for expenditure on the refurbishment of Staircase 14, both of which will be spent down in the next financial year. The balance of £218k is set aside for claims from Fellows and students for Research, Careers and Internship grants.

Risk management

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

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

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

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Year ended 31 July 2016

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

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

Investment policy, objectives and performance

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

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

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

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

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

FUTURE PLANS

The College's plans remain broadly in line with its existing Strategy, which is in the course of renewal to reflect the progress that has been made in achieving its objectives and to set new priorities for the College. The principal strands of the College's future plans will continue to be rooted in its commitment to:

- guarantee the tutorial teaching system which is at the heart of the Oxford undergraduate pedagogy;
- further transform the historic College campus by rejuvenating the College Library and improving the quality of accommodation and public rooms; and
- attract and support excellent students and scholars (from diverse backgrounds) through bursaries, scholarships and academic grants, and by underpinning Fellowships with permanent endowment.

The completion of Cohen Quadrangle will enhance the College's scope to be ambitious. The quality of teaching and learning space in the building and the presence of the College's special collections, manuscripts and archives in the purpose-built depository with its generous and attractive scholars' study room present exciting opportunities for new initiatives. As the College formulates its new priorities, rejuvenating the Library

EXETER COLLEGE

Report of the Governing Body

Year ended 31 July 2016

and increasing income-generating endowment to fund new initiatives will become the principal focus. The underlying driver is the pursuit of ever greater academic excellence.

STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES

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

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

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

- select the most suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the College will continue to operate.

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

Approved by the Governing Body on 30 November 2016 and signed on its behalf by:

Sir Rick Trainor

Rector

EXETER COLLEGE

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

We have audited the financial statements of Exeter College for the year ended 31 July 2016 which comprise the Statement of Accounting Policies, the Consolidated Statement of Financial Activities, the Consolidated and College Balance Sheets, the Consolidated Statement of Cash Flows and the related notes numbered 1 to 31.

This report is made solely to the College's Governing Body in accordance with sections 144 and 151 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Governing Body those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and its Governing Body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Governing Body and auditor

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

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

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Governing Body; and the overall presentation of the financial statements.

We read all the information in the Report of the Governing Body to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charity's affairs as at 31 July 2016 and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Matters on which we are required to report by exception

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

- the information given in the Report of the Governing Body is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept by the parent charity; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Kingston Smith LLP
Statutory Auditor

Devonshire House
60 Goswell Road
LONDON EC1M 7AD

Date:

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

EXETER COLLEGE

Statement of Accounting Policies

Year ended 31 July 2016

1. Scope of the financial statements

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

2. Basis of accounting

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

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

The College has adopted FRS 102 for the first time when preparing these financial statements. The transition date to FRS 102 was 1 August 2014 and the last financial statements prepared under the previous financial reporting framework were prepared for the year ended 31 July 2015. An explanation and reconciliation of how the transition to FRS 102 has affected the reported financial position and financial performance is provided in note 31.

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

3. Accounting judgements and estimation uncertainty

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

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

EXETER COLLEGE

Statement of Accounting Policies

Year ended 31 July 2016

In the view of the Governing Body, no 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 most significant areas of uncertainty that affect the carrying value of assets held by the College are the level of investment return and the performance of investment markets.

4. Income recognition

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

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

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

b. Income from donations, grants and legacies

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

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

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

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

c. Investment income

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

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

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

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

5. Expenditure

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

EXETER COLLEGE

Statement of Accounting Policies

Year ended 31 July 2016

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

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

EXETER COLLEGE

Statement of Accounting Policies

Year ended 31 July 2016

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

EXETER COLLEGE

Statement of Accounting Policies

Year ended 31 July 2016

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

14. Fund accounting

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

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

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

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

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

15. Pension costs

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

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

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

Exeter College
Consolidated Statement of Financial Activities
For the year ended 31 July 2016

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2016 Total £'000	2015 Total £'000
INCOME AND ENDOWMENTS FROM:						
Charitable activities:	1					
Teaching, research and residential		5,101	-	-	5,101	5,186
Other Trading Income	3	478	-	-	478	411
Donations and legacies	2	593	1,065	51	1,709	10,043
Investments						
Investment income	4	724	90	312	1,126	1,131
Total return allocated to income		-	-	-	-	-
Other income		-	-	-	-	1,292
Total Income		6,896	1,155	363	8,414	18,063
EXPENDITURE ON:						
	5					
Charitable activities:						
Teaching, research and residential		6,481	1,296	-	7,777	8,213
Generating funds:						
Fundraising		544	14	-	558	617
Trading expenditure		435	-	-	435	294
Investment management costs		150	33	113	296	348
Total Expenditure		7,610	1,343	113	9,066	9,472
Net Income/(Expenditure) before gains		(714)	(188)	250	(652)	8,591
Net gains/(losses) on investments	10, 11	4	-	4,397	4,401	6,558
Net Income/(Expenditure)		(710)	(188)	4,647	3,749	15,149
Transfers between funds	18	9,132	(4,688)	(4,444)	-	-
Other recognised gains/losses						
Gains/(losses) on revaluation of fixed assets		-	-	-	-	-
Actuarial gains/(losses) on defined benefit pension schemes		-	-	-	-	-
Net movement in funds for the year		8,422	(4,876)	203	3,749	15,149
Fund balances brought forward	18	36,100	9,391	68,530	114,021	98,872
Funds carried forward at 31 July		44,522	4,515	68,733	117,770	114,021

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 2016

	Notes	2016 Group £'000	2015 Group £'000	2016 College £'000	2015 College £'000
FIXED ASSETS					
Tangible assets	9	54,103	36,210	54,588	36,353
Property investments	10	19,038	20,609	16,283	16,150
Other Investments	11	49,469	44,501	52,452	49,002
Total Fixed Assets		122,610	101,320	123,323	101,505
CURRENT ASSETS					
Stocks		89	106	89	106
Debtors	14	2,407	5,468	1,292	5,390
Investments		-	-	-	-
Cash at bank and in hand		8,584	22,497	8,286	21,757
Total Current Assets		11,080	28,071	9,667	27,253
LIABILITIES					
Creditors: Amounts falling due within one year	15	2,387	2,019	1,213	1,253
NET CURRENT ASSETS/(LIABILITIES)		8,693	26,052	8,454	26,000
TOTAL ASSETS LESS CURRENT LIABILITIES		131,303	127,372	131,777	127,505
CREDITORS: falling due after more than one year	16	12,250	12,000	12,250	12,000
Provisions for liabilities and charges	17	1,283	1,351	1,283	1,351
NET ASSETS/(LIABILITIES) BEFORE PENSION ASSET OR LIABILITY		117,770	114,021	118,244	114,154
Defined benefit pension scheme liability	22	-	-	-	-
TOTAL NET ASSETS/(LIABILITIES)		117,770	114,021	118,244	114,154
FUNDS OF THE COLLEGE					
Endowment funds	18	68,733	68,530	68,733	68,530
Restricted funds		4,515	9,391	4,515	9,391
Unrestricted funds					
Designated funds		43,003	35,393	43,488	35,536
General funds		1,519	707	1,508	697
		117,770	114,021	118,244	114,154

The financial statements were approved and authorised for issue by the Governing Body of Exeter College on 30 November 2016

Sir Rick Trainor (Trustee):

William Jensen (Trustee):

Exeter College
Consolidated Statement of Cash Flows
For the year ended 31 July 2016

	Notes	2016 £'000	2015 £'000
Net cash provided by (used in) operating activities	25	<u>2,167</u>	<u>832</u>
Cash flows from investing activities			
Dividends, interest and rents from investments		1,126	1,131
Proceeds from the sale of property, plant and equipment		-	1,982
Purchase of property, plant and equipment		(18,508)	(7,713)
Proceeds from sale of investments		14,910	16,760
Purchase of investments		(13,909)	(10,706)
Net cash provided by (used in) investing activities		<u>(16,381)</u>	<u>1,454</u>
Cash flows from financing activities			
Cash inflows from new borrowing		250	-
Receipt of endowment		51	2,310
Net cash provided by (used in) financing activities		<u>301</u>	<u>2,310</u>
Change in cash and cash equivalents in the reporting period		<u>(13,913)</u>	<u>4,596</u>
Cash and cash equivalents at the beginning of the reporting period		22,497	17,901
Cash and cash equivalents at the end of the reporting period	26	<u>8,584</u>	<u>22,497</u>

Exeter College
Notes to the financial statements
For the year ended 31 July 2016

1 INCOME FROM CHARITABLE ACTIVITIES

	2016	2015
	£'000	£'000
Teaching, Research and Residential		
Unrestricted funds		
Tuition fees - UK and EU students	1,267	1,272
Tuition fees - Overseas students	796	774
Other fees	73	73
Other HEFCE support	154	204
Other academic income	198	265
College residential income	2,613	2,598
Total Teaching, Research and Residential	5,101	5,186
Total income from charitable activities	5,101	5,186

The above analysis includes £1497k received from Oxford University from publicly accountable funds under the CFF Scheme (2015: £1573k).

Under the terms of the undergraduate student support package offered by Oxford University to students from lower income households, the college share of the fees waived amounted to £27k (2015: £34k). These are not included in the fee income reported above.

2 DONATIONS AND LEGACIES

	2016	2015
	£'000	£'000
Donations and Legacies		
Unrestricted funds	593	2,106
Restricted funds	1,065	2,248
Endowed funds	51	5,689
	1,709	10,043

3 INCOME FROM OTHER TRADING ACTIVITIES

	2016	2015
	£'000	£'000
Subsidiary company trading income	478	387
Other trading income	-	24
	478	411

4 INVESTMENT INCOME

	2016	2015
	£'000	£'000
<i>Unrestricted funds</i>		
Agricultural rent	88	99
Commercial rent	209	197
Other property income	77	74
Equity dividends	280	323
Bank interest	70	66
	724	759
<i>Restricted funds</i>		
Agricultural rent	19	17
Other property income	17	13
Equity dividends	54	52
	90	82
<i>Endowed funds</i>		
Agricultural rent	67	63
Other property income	59	46
Equity dividends	186	181
	312	290
Total Investment income	1,126	1,131

Exeter College
Notes to the financial statements
For the year ended 31 July 2016

5 ANALYSIS OF EXPENDITURE

	2016	2015
	£'000	£'000
Charitable expenditure		
Direct staff costs allocated to:		
Teaching, research and residential	3,225	3,501
Other direct costs allocated to:		
Teaching, research and residential	2,636	2,582
Support and governance costs allocated to:		
Teaching, research and residential	1,916	2,130
Total charitable expenditure	<u>7,777</u>	<u>8,213</u>
Expenditure on generating funds		
Direct staff costs allocated to:		
Fundraising	353	354
Trading expenditure	282	140
Investment management costs	-	-
Other direct costs allocated to:		
Fundraising	161	224
Trading expenditure	139	140
Investment management costs	295	348
Support and governance costs allocated to:		
Fundraising	44	39
Trading expenditure	14	14
Investment management costs	1	-
Total expenditure on raising funds	<u>1,289</u>	<u>1,259</u>
Total expenditure	<u>9,066</u>	<u>9,472</u>

The 2015 resources expended of £9465k respesented £8076k from unrestricted funds, £1274k from restricted funds and £115k from endowed funds.

The College is liable to be assessed for Contribution under the provisions of Statute XV of the University of Oxford. The Contribution Fund is used to make grants and loans to colleges on the basis of need. Contributions are calculated annually in accordance with regulations made by the Council of the University of Oxford.

The teaching and research costs include College Contribution payable of £43k (2015 - £66k).

Exeter College
Notes to the financial statements
For the year ended 31 July 2016

6 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

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

	Generating Funds £'000	Teaching and Research £'000	2015 Total £'000
Financial administration	26	341	367
Human resources	-	74	74
IT	-	174	174
Depreciation	27	622	649
Loss/(profit) on fixed assets	-	(3)	(3)
Bank interest payable	-	619	619
Other finance charges	-	279	279
Governance costs	-	24	24
	53	2,130	2,183

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.

	2016 £'000	2015 £'000
Governance costs comprise:		
Auditor's remuneration - audit services	21	20
Auditor's remuneration - other services	7	2
Other governance costs	-	2
	28	24

No amount has been included in governance costs for the direct employment costs or reimbursed expenses of the College Fellows on the basis that these payments relate to the Fellows involvement in the College's charitable activities. Details of the remuneration of the Fellows and their reimbursed expenses are included as a separate note within these financial statements.

Exeter College
Notes to the financial statements
For the year ended 31 July 2016

7 GRANTS AND AWARDS	2016 £'000	2015 £'000
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During the year the College funded research awards and bursaries to students from its restricted and unrestricted fund as follows:

Unrestricted funds

Grants to individuals:

Scholarships, prizes and grants	52	48
Bursaries and hardship awards	5	27
Graduate studentships	11	4

Grants to other institutions

	-	-
Total unrestricted	68	79

Restricted funds

Grants to individuals:

Scholarships, prizes and grants	40	29
Bursaries and hardship awards	94	116
Graduate studentships	287	370

Grants to other institutions

	-	-
Total restricted	421	515

Total grants and awards

	489	594
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Within the bursaries and hardships awards figure above, is the cost to the College of the Oxford Bursary Scheme. Students of this College received £172k (2015: £223k) of Oxford Bursaries. Some of those students also received fee waivers amounting to £106k (2015: £122k).

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

8 STAFF COSTS

The aggregate staff costs for the year were as follows.

	2016 £'000	2015 £'000
Salaries and wages	3,585	3,641
Social security costs	238	245
Pension costs:		
Defined benefit schemes	550	537
Defined contribution schemes	3	3
Movement in pension deficit liability	(68)	279
	4,308	4,705

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

	2016	2015
Tuition and research	17	17
College residential	75	77
Fundraising	6	6
Support	10	10
Total	108	110

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

University Lecturers	16	14
CUF Lecturers	8	9
Other teaching and research	7	7
Other	4	5
Total	35	35

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

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

£60,001-£70,000	1	1
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The number of the above employees with retirement benefits accruing was as follows:

In defined benefits schemes	1	1
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The College contributions to defined contribution pension schemes totalled

	553	540
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Exeter College
Notes to the financial statements
For the year ended 31 July 2016

9 TANGIBLE FIXED ASSETS

Group	Assets under construction £'000	Freehold land and buildings £'000	Plant and machinery £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost					
At start of year	11,971	29,455	-	1,258	42,684
Additions	18,051	395	-	62	18,508
At end of year	30,022	29,850	-	1,320	61,192
Depreciation and impairment					
At start of year	-	5,382	-	1,092	6,474
Depreciation charge for the year	-	527	-	88	615
At end of year	-	5,909	-	1,180	7,089
Net book value					
At end of year	30,022	23,941	-	140	54,103
At start of year	11,971	24,073	-	166	36,210

The above includes:

£0k (2015:£0k) of plant and machinery held under finance leases.

£0k (2015:£0k) of fixtures, fittings and equipment held under finance leases.

College	Assets under construction £'000	Freehold land and buildings £'000	Plant and machinery £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost					
At start of year	12,114	29,455	-	1,258	42,827
Additions	18,393	395	-	62	18,850
At end of year	30,507	29,850	-	1,320	61,677
Depreciation and impairment					
At start of year	-	5,382	-	1,092	6,474
Charge for the year	-	527	-	88	615
At end of year	-	5,909	-	1,180	7,089
Net book value					
At end of year	30,507	23,941	-	140	54,588
At start of year	12,114	24,073	-	166	36,353

The above includes:

£0k (2015:£0k) of plant and machinery held under finance leases.

£0k (2015:£0k) of fixtures and fittings held under finance leases.

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

Exeter College
Notes to the financial statements
For the year ended 31 July 2016

10 PROPERTY INVESTMENTS

Group	Agricultural	Commercial	Other	2016	2015
	£'000	£'000	£'000	Total £'000	Total £'000
Valuation at start of year	13,503	-	7,106	20,609	19,997
Additions and improvements at cost	3	-	-	3	294
Disposals	(2,018)	-	(306)	(2,324)	(349)
Revaluation gains/(losses) in the year	650	-	100	750	667
Valuation at end of year	12,138	-	6,900	19,038	20,609
College					
	Agricultural	Commercial	Other	2016	2015
	£'000	£'000	£'000	Total £'000	Total £'000
Valuation at start of year	9,044	-	7,106	16,150	14,996
Additions and improvements at cost	-	-	-	-	-
Disposals	(10)	-	(306)	(316)	(349)
Revaluation gains/(losses) in the year	349	-	100	449	1,503
Valuation at end of year	9,383	-	6,900	16,283	16,150

A formal valuation of the agricultural and other properties was prepared by Savills, the College Land Agent as at 31 July 2016, the basis of the valuation being open market value as defined by the RICS Appraisal and Valuation Manual.

11 OTHER INVESTMENTS

All investments are held at fair value.

	2016	2015
	£'000	£'000
Group investments		
Valuation at start of year	44,501	44,609
New money invested	13,906	10,706
Amounts withdrawn	(12,586)	(16,705)
(Decrease)/increase in value of investments	3,648	5,891
Group investments at end of year	49,469	44,501
Investment in subsidiaries	2,983	4,501
College investments at end of year	52,452	49,002

Group investments comprise:	Held outside	Held in	2016	Held outside	Held in	2015
	the UK	the UK	Total	the UK	the UK	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Equity investments	12,124	13,318	25,442	10,422	18,603	29,025
Global multi-asset funds	8,540	1,986	10,526	8,513	1,874	10,387
Property funds	-	2,681	2,681	-	2,862	2,862
Fixed interest stocks	3,825	-	3,825	3,206	-	3,206
Fixed term deposits and cash	-	6,995	6,995	-	(979)	(979)
Total group investments	24,489	24,980	49,469	22,141	22,360	44,501

Exeter College
Notes to the financial statements
For the year ended 31 July 2016

12 PARENT AND SUBSIDIARY UNDERTAKINGS

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

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

	Exeter College £'000	Exeter College Trading Limited £'000	Collexoncotoo Limited £'000	Yew Tree Hill Development Company £'000
Income	8,414	483	17,433	303
Expenditure	(4,665)	(438)	(17,093)	(6)
Donation to College under gift aid	-	(45)	(340)	(1,815)
Result for the year	<u>3,749</u>	<u>-</u>	<u>-</u>	<u>(1,518)</u>
Total assets	132,990	256	1,348	3,421
Total liabilities	(14,746)	(256)	(1,337)	(439)
Net funds at the end of year	<u>118,244</u>	<u>-</u>	<u>11</u>	<u>2,982</u>

13 STATEMENT OF INVESTMENT TOTAL RETURN

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

	Trust for Investment £'000	Permanent Endowment Unapplied Total Return £'000	Total £'000	Expendable Endowment £'000	Total Endowments £'000
At the beginning of the year:					
Gift component of the permanent endowment	15,242	-	15,242	-	15,242
Unapplied total return	-	11,130	11,130	-	11,130
Expendable endowment	-	-	-	42,159	42,159
Total Endowments	15,242	11,130	26,372	42,159	68,530
Movements in the reporting period:					
Gift of endowment funds	1	-	1	50	51
Investment return: total investment income	-	312	312	500	812
Investment return: realised and unrealised gains and losses	-	1,691	1,691	2,706	4,397
Less: Investment management costs	-	(115)	(115)	(182)	(297)
Other transfers	-	-	-	-	-
Total	1	1,888	1,889	3,074	4,963
Unapplied total return allocated to income in the reporting period		(809)	(809)	(1,296)	(2,105)
Expendable endowments transferred to income		-	-	(2,656)	(2,656)
		(809)	(809)	(3,952)	(4,761)
Net movements in reporting period	1	1,079	1,080	(878)	202
At end of the reporting period:					
Gift component of the permanent endowment	15,243	-	15,243	-	15,243
Unapplied total return	-	12,209	12,209	-	12,209
Expendable endowment	-	-	-	41,281	41,281
Total Endowments	15,243	12,209	27,452	41,281	68,733

14 DEBTORS

	2016 Group £'000	2015 Group £'000	2016 College £'000	2015 College £'000
Amounts falling due within one year:				
Trade debtors	897	328	242	250
Provision for bad debt	(24)	(24)	(24)	(24)
Taxation and social security	460	-	-	-
Prepayments and accrued income	1,053	5,130	1,053	5,130
Other debtors	21	34	21	34
Amounts falling due after more than one year:				
Loans	-	-	-	-
	<u>2,407</u>	<u>5,468</u>	<u>1,292</u>	<u>5,390</u>

Exeter College
Notes to the financial statements
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15 CREDITORS: falling due within one year

	2016	2015	2016	2015
	Group	Group	College	College
	£'000	£'000	£'000	£'000
Trade creditors	333	538	273	425
Amounts owed to Group undertakings	-	-	169	214
Taxation and social security	-	(129)	27	60
College contribution	50	51	50	51
Accruals and deferred income	1,680	1,255	370	199
Other creditors	324	304	324	304
	2,387	2,019	1,213	1,253

Deferred income includes £104,000 for conference deposits and £64,000 for student vacation rent, all income of which relates to the following financial year.

	2016	2015	2016	2015
	Group	Group	College	College
	£'000	£'000	£'000	£'000
Deferred income at start of year	52	47	52	47
Deferred income released in the year	(52)	(47)	(52)	(47)
New income deferred to following year	168	52	168	52
Deferred income at end of year	168	52	168	52

16 CREDITORS: falling due after more than one year

	2016	2015	2016	2015
	Group	Group	College	College
	£'000	£'000	£'000	£'000
Bank loans - due in 2-5 years	250	-	250	-
Bank loans - due in more than 5 years	12,000	12,000	12,000	12,000
	12,250	12,000	12,250	12,000

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

An additional revolving credit facility to enable the College to borrow up to £4m was signed during the year, as short term funding for the Cohen Quad project. This will be repaid in instalments from the proceeds of a signed pledge which is due to be received over the four years from 2017 to 2020. 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

	2016	2015	2016	2015
	Group	Group	College	College
	£'000	£'000	£'000	£'000
At start of year	1,351	1,072	1,351	1,072
Charged in the Statement of Financial Activities	(68)	279	(68)	279
Settled in the year	-	-	-	-
At end of year	1,283	1,351	1,283	1,351

The above provision is a combination of two balances shown in the table below. One is in respect of pension liabilities for pensions payable to ex-employees of the College and not funded through external pension schemes. The other represents a liability for the future contributions that the College estimates will be payable as a result of agreements put in place to fund past service deficits in both USS and OSPS (see Note 22).

	2016	2015	2016	2015
	Group	Group	College	College
	£'000	£'000	£'000	£'000
Pension provision for pensions paid to ex-employees of College	125	125	125	125
Liability for estimated contributions towards past service deficits				
- USS	471	516	471	516
- OSPS	687	710	687	710
	1,158	1,226	1,158	1,226
	1,283	1,351	1,283	1,351

Exeter College
Notes to the financial statements
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18 ANALYSIS OF MOVEMENTS ON FUNDS

	At 1 August 2015 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2016 £'000
Endowment Funds - Permanent						
Tuition & Fellowship Support	11,760	139	(51)	(361)	754	12,241
Scholarships, Exhibitions, Prizes and Travel Funds	4,314	52	(18)	(132)	276	4,492
Studentships	8,201	97	(35)	(252)	525	8,536
Student Assistance, Bursaries and Hardship	1,950	23	(8)	(60)	125	2,030
Other Funds	146	2	(1)	(4)	10	153
Endowment Funds - Expendable						
Tuition & Fellowship Support	3,871	-	-	(90)	249	4,030
Scholarships, Exhibitions, Prizes and Travel Funds	-	-	-	-	-	-
Studentships	1,372	-	-	(32)	88	1,428
Student Assistance, Bursaries and Hardship	1,978	43	-	(47)	129	2,103
Other Funds	347	-	-	(8)	22	361
Exeter College Main Fund	34,591	7	-	(3,458)	2,219	33,359
Total Endowment Funds - College	68,530	363	(113)	(4,444)	4,397	68,733
Endowment funds held by subsidiaries	-	-	-	-	-	-
Total Endowment Funds - Group	68,530	363	(113)	(4,444)	4,397	68,733
Restricted Funds						
Tuition & Fellowship Support	176	334	(802)	451	-	159
Scholarships, Exhibitions, Prizes and Travel Funds	76	-	(27)	27	-	76
Studentships	357	42	(298)	284	-	385
Student Assistance, Bursaries and Hardship	53	36	(110)	107	-	86
Other Funds	8,729	743	(106)	(5,557)	-	3,809
Total Restricted Funds - College	9,391	1,155	(1,343)	(4,688)	-	4,515
Restricted funds held by subsidiaries	-	-	-	-	-	-
Total Restricted Funds - Group	9,391	1,155	(1,343)	(4,688)	-	4,515
Unrestricted Funds						
Designated funds						
Fixed Asset Reserve	24,353	-	-	17,985	-	42,338
Other Designated Reserves	11,183	84	(12)	(10,105)	-	1,150
General funds	697	6,812	(7,598)	1,593	4	1,508
Total Unrestricted Funds - College	36,233	6,896	(7,610)	9,473	4	44,996
Unrestricted funds held by subsidiaries	10	-	-	-	-	10
Consolidation adj on Construction Contract with Sub	(143)	-	-	(341)	-	(484)
Total Unrestricted Funds - Group	36,100	6,896	(7,610)	9,132	4	44,522
Total Funds	114,021	8,414	(9,066)	-	4,401	117,770
Transfers Detail						
	Unrestricted funds	Designated funds	Restricted funds	Permanent Endowment	Expendable Endowment	Total
Transfer for investment total return	906	-	882	(809)	(979)	-
Removal of restriction on CQ/other imm funds	5,570	-	(5,570)	-	-	-
Additional transfer from endowment	2,656	-	-	-	(2,656)	-
Designation in year	(7,880)	7,880	-	-	-	-
Total	1,252	7,880	(4,688)	(809)	(3,635)	-

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

19 FUNDS OF THE COLLEGE DETAILS

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

Endowment Funds - Permanent:

Tuition & Fellowship Support

A total of thirteen Trust Funds where the income can be spent on Fellowship support in specific subject areas, but the original capital cannot be spent.

Scholarships, Exhibitions, Prizes and Travel Funds

A total of six Trust Funds where the income can be spent on student scholarships, exhibitions, prizes and travel funds. The original capital cannot be spent.

Studentships

A total of 11 Trust Funds, the purpose of which is to pay a contribution towards, or all, of the University and College fees together with a maintenance grant. Each Fund specifies the subject area and academic achievements needed for each award. The original capital cannot be spent.

Student Assistance, Bursaries and Hardship

A total of four Trust Funds, the income of which is to provide financial assistance to undergraduates and/or graduates dependent upon their financial need. The capital cannot be spent.

Other Funds

Three Trust Funds for specific purposes of the College. The capital cannot be spent.

Endowment Funds - Expendable:

Tuition & Fellowship Support

A total of five Trust Funds where the income and capital, if required, can be spent on Fellowship support in specific subject areas.

Studentships

Two Trust Funds, the purpose of which is to pay a contribution towards, or all, of the University and College fees together with a maintenance grant for a graduate student. The income and capital is to be spent.

Student Assistance, Bursaries and Hardship

Six Trust Funds providing financial assistance to undergraduate and graduate students. Both the income and capital can be spent.

Other Funds

Three Trust Funds for various purposes where both the income and capital can be spent on the restricted purpose of the Fund.

Exeter College Main Fund

This Fund represents donations accumulated over many decades and current policy is to invest it over the long term future of the College. Both income and capital can be spent on the general educational purposes of the College.

Restricted Funds:

Tuition & Fellowship Support

A consolidation of gifts and donations where both income and capital can be used for tuition and fellowship support. Income generated from endowment is allocated to these funds and, if not spent, is available in future years.

Scholarships, Exhibitions, Prizes and Travel Funds

A consolidation of gifts and donations where both income and capital can be used for scholarships and exhibitions. Income generated from endowment is allocated to these funds and, if not spent, is available for future years.

Student Assistance, Bursaries and Hardship

A consolidation of gifts and donations where both income and capital can be used for student assistance and hardship. Income generated from endowment is also allocated to these funds and, if not spent, is available for future years.

Other Funds

A consolidation of gifts and donations where both income and capital can be spent on various restricted purposes.

Designated Funds

Fixed asset designated

Unrestricted Funds which are represented by the fixed assets of the College and therefore not available for expenditure on the College's general purposes

General designated reserve

Unrestricted Funds allocated by the Fellows for future costs of specific projects.

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

Exeter College
Notes to the financial statements
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20 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2016 Total £'000
Tangible fixed assets	54,103	-	-	54,103
Borrowings on acquisition of fixed assets	(12,250)	-	-	(12,250)
Property investments	-	-	19,038	19,038
Other investments	-	-	49,469	49,469
Net current assets (including pension provision)	2,669	4,515	226	7,410
	<u>44,522</u>	<u>4,515</u>	<u>68,733</u>	<u>117,770</u>

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2015 Total £'000
Tangible fixed assets	36,210	-	-	36,210
Borrowings on acquisition of fixed assets	(12,000)	-	-	(12,000)
Property investments	-	-	20,609	20,609
Other investments	-	-	44,501	44,501
Net current assets	11,890	9,391	3,420	24,701
	<u>36,100</u>	<u>9,391</u>	<u>68,530</u>	<u>114,021</u>

21 TRUSTEES' REMUNERATION

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

Trustees of the college fall into the following categories:

Rector
 Professorial Fellow
 Official Fellow
 Fellow by Special Election
 Research Fellow

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

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

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

The total remuneration and taxable benefits as shown below is £1,149,806 (2015: £1,125,679).

The total of pension contributions is £169,744 (2015: £162,226).

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	Number of Trustees/Fellows	2016	Number of Trustees/Fellows	2015
		Gross remuneration, taxable benefits and pension contributions £		Gross remuneration, taxable benefits and pension contributions £
£0 - £1,000	1	700	0	-
£1,000 - £2,000	1	1,414	0	-
£2,000-£2,999	0	-	1	2,218
£3,000-£3,998	2	7,385	2	7,172
£4,000-£4,999	1	4,616	0	-
£6,000-£6,999	0	-	1	6,951
£8,000-£8,999	0	-	2	16,520
£9,000-£9,999	3	28,593	0	-
£12,000-£12,999	0	-	1	12,628
£15,000-£15,999	1	15,544	1	15,703
£16,000-£16,999	0	-	1	16,796
£19,000-£19,999	1	19,895	0	-
£20,000-£20,999	1	20,582	1	20,949
£21,000-£21,999	6	129,019	7	148,418
£22,000-£22,999	1	22,836	2	45,430
£23,000-£23,999	1	23,492	1	23,202
£24,000-£24,999	2	49,021	0	-
£25,000-£25,999	1	25,551	0	-
£26,000-£26,999	1	26,392	1	26,332
£28,000-£28,999	0	-	2	57,121
£29,000-£29,999	2	59,836	0	-
£35,000-£35,999	1	35,924	0	-
£36,000-£36,999	0	-	1	36,177
£41,000-£41,999	0	-	1	41,836
£42,000-£42,999	1	42,543	1	42,006
£43,000-£43,999	1	43,342	0	-
£44,000-£44,999	0	-	2	89,230
£45,000-£45,999	2	90,853	0	-
£48,000-£48,999	0	-	2	96,780
£49,000-£49,999	1	49,810	0	-
£51,000-£51,999	0	-	2	102,983
£52,000-£52,999	2	105,638	1	52,148
£53,000-£53,999	1	53,411	1	53,168
£54,000-£54,999	0	-	1	54,576
£55,000-£55,999	1	55,396	0	-
£64,000-£64,999	1	64,413	0	-
£75,000-£75,999	0	-	1	75,496
£78,000-£78,999	1	78,678	0	-
£79,000-£79,999	0	-	2	158,721
£80,000-£80,999	2	161,229	0	-
£85,000-£85,999	0	-	1	85,344
£103,000-£103,999	1	103,437	0	-
Total	40	1,319,550	39	1,287,905

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

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

Other transactions with trustees

Total expenses of £27,647 were paid to 32 trustees (2015: £34,392 to 28 trustees). Of this total, £2,147 (2015: £12,138) was reimbursed travel costs, £19,490 (2015: £17,844) was reimbursed book, research and entertainment allowances and £6,010 (2015: £4,410) was other minor general expenditure incurred in their capacity as a Fellow of the College.

See also note 28 Related Party Transactions

Key management remuneration

Excluding amounts paid to the trustees, the total remuneration paid to key management was £183k (2015: £173k).

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

22 PENSION SCHEMES

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

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

Both schemes have put in place agreements for additional contributions to fund their past service deficits. In accordance with the provisions of FRS 102 the College has recognised a liability for the future contributions that it estimates will be payable as a result of these deficit funding agreements.

Universities Superannuation Scheme

The pension charge for the year includes £242k (2015: £528k) in relation to the USS. This represents contributions of £287k payable to the USS (2015: £292k) as adjusted by the change in the deficit funding liability between the opening and closing balance sheet dates of -£45k (2015: 236k).

USS's actuarial valuation as at 31 March 2014 takes into account the revised benefit structure effective 1 April 2016 agreed both by the Joint Negotiating Committee and the Trustee in July 2015 following the Employers' consultation which concluded in June 2015. Key changes agreed include: for Final Salary section members, the benefits built up to 31 March 2016 will be calculated as at that date using pensionable salary and pensionable service immediately prior to that date and going forwards will be revalued in line with increases in official pensions (currently CPI); all members will accrue a pension of 1/75th and a cash lump sum of 3/75ths of salary each year of service in respect of salary up to a salary threshold, initially £55,000 p.a, with the threshold applying from 1 October 2016; member contributions will be 8% of salary; a defined contribution benefit for salary in excess of the salary threshold at the total level of 20% (8% employee, 12% employer) of salary in excess of the salary threshold; and optional additional contributions payable into the defined contribution section from 1 October 2016 of which the first 1% of salary is to be matched by employer contributions. Further details about the changes may be reviewed on USS' website, www.uss.co.uk. For the period up to 1 April 2016 the employer deficit contribution was 0.7% p.a. of salaries based on the assumptions made. After allowing for those changes, the actuary established a long term employer contribution rate of 18% pa of salaries for the period from 1 April 2016 to 31 March 2031. On the assumptions made and with the salary threshold and defined contribution section implemented this gives rise to deficit contributions of at least 2.1% p.a of salaries. At 31 March 2016 USS reported that the funding deficit had increased to £10.0 bn (83% funded) from £8.2bn (86% funded) at 31 March 2015.

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

A provision of £471k has been made at 31 July 2016 (2015 - £516k) for the present value of the estimated future deficit funding element of the contributions payable under this agreement. In determining the level of this provision it has been assumed that the College will continue to have a constant level of employee participation in this scheme and that the relevant earnings of these employees will increase in line with the actuary's projected long-term salary rate increases.

A copy of the full actuarial valuation report and other further details on the scheme are available on the USS website www.uss.co.uk

Oxford Staff Pension Scheme

The pension charge for the year includes £240k (2015 - £289k) in relation to the OSPS. This represents contributions of £263k (2015: £245k) payable to the OSPS as adjusted by the change in the deficit funding liability between the opening and closing balance sheet dates of -£23k (2015: £44k).

OSPS' actuarial valuation as at 31 March 2013 identified a required long-term employer contribution rate of 20.1% of total pensionable salaries with a funding deficit of £173m. The University of Oxford, on behalf of all the employers participating in the scheme, has agreed with the trustees of OSPS to address this deficit by raising the employer contribution rate in increments of 0.5% of pensionable salary to 23.5%, with this increase being implemented over the three years to 1 August 2017. The actuary has certified that the additional contribution should eliminate the deficit by 30 June 2026. At 31 March 2015 the scheme reported a funding deficit of £213.4m (71% funded) compared to £134.8m (77% funded) as at 31 March 2014. The next triennial valuation is due with an effective date of 31 March 2016.

The OSPS employer contribution rate required for future service benefits alone at the date of the valuation was 20.1% of total pensionable salaries. It was agreed that employers increase their contribution rate by 0.5% each year to 1 August 2017 to 23.5%.

A provision of £687k has been made at 31 July 2016 (2015 - £710k) for the present value of the estimated future deficit funding element of the contributions payable under this agreement. In determining the level of this provision it has been assumed that the College will continue to have a constant level of employee participation in this scheme and that the relevant earnings of these employees will increase in line with the actuary's projected long-term salary rate increases.

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

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Pension charge for the year

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

Scheme	2016	2015
	£'000s	£'000s
Universities Superannuation Scheme	242	528
University of Oxford Staff Pension Scheme	240	289
Other schemes – contributions	3	3
Total	485	820

Included in other creditors and accruals are pension contributions payable of £nil (2015: £nil).

23 TAXATION

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

24 FINANCIAL INSTRUMENTS

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

	2016			2015		
	Income £'000	Expense £'000	Gains / (losses) £'000	Income £'000	Expense £'000	Gains / (losses) £'000
Financial assets measured at fair value through profit or loss	520	-	3,648	556	-	5,891

	2016	2015	2016	2015
	Group £'000	Group £'000	College £'000	College £'000
Financial assets that are debt instruments measured at amortised cost				
Trade debtors	873	304	218	226
Accrued income	996	5,098	996	5,098
Other debtors	21	34	21	34
	1,890	5,436	1,235	5,358

Financial liabilities measured at amortised cost

Bank loan - including due in more than one year	12,250	12,000	12,250	12,000
Trade creditors	333	538	273	425
Accruals	1,562	1,254	252	198
Other creditors	324	304	324	304
	14,469	14,096	13,099	12,927

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

	2016	2015
	Group £'000	Group £'000
Net income/(expenditure)	3,749	15,149
Elimination of non-operating cash flows:		
Investment income	(1,126)	(1,131)
(Gains)/losses in investments	(4,397)	(6,558)
Endowment donations	(51)	(2,310)
Depreciation	615	649
(Surplus)/loss on sale of fixed assets	-	(1,295)
Decrease/(Increase) in stock	17	8
Decrease/(Increase) in debtors	3,061	(4,770)
(Decrease)/Increase in creditors	367	811
(Decrease)/Increase in provisions	-	-
(Decrease)/Increase in pension scheme liability	(68)	279
Net cash provided by (used in) operating activities	2,167	832

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26 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016	2015
	£'000	£'000
Cash at bank and in hand	8,584	22,497
Notice deposits (less than 3 months)	-	-
Bank overdrafts	-	-
Total cash and cash equivalents	<u>8,584</u>	<u>22,497</u>

27 FINANCIAL COMMITMENTS

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

	2016	2015
	£'000	£'000
Land and buildings		
expiring within one year	-	-
expiring between two and five years	-	-
expiring in over five years	-	-
Other		
expiring within one year	1	3
expiring between two and five years	-	1
expiring in over five years	-	-
	<u>1</u>	<u>4</u>

28 CAPITAL COMMITMENTS

The College had contracted commitments at 31 July for future capital projects totalling £5,016,423 (2015 - £21,094,074).

29 RELATED PARTY TRANSACTIONS

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

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

30 CONTINGENT LIABILITIES

There were no contingent liabilities at 31 July 2016.

31 POST BALANCE SHEET EVENTS

On 8 August 2016, the College's wholly owned subsidiary Exeter College Yew Tree Hill Development Company Ltd, exchanged contracts with Taylor Wimpey to sell land held at Yew Tree Village, Droitwich. The asset value of this land is held in the College's consolidated accounts as a Property Investment at market value of £2,754,822 at 31 July 2016. It is anticipated that completion will take place during the next two financial years. The transaction will be accounted for in the 2016/17 financial statements as a sale of investment property.

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32 TRANSITION TO FRS 102

The College adopted FRS 102 at 31 July 2016. The date of transition is 1 August 2014. The net effect is set out below

Effect on the SoFA	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2015 Total £'000
Net movement in funds as previously stated	10,035	1,844	3,549	15,428
Recognition of pension deficit	(279)	-	-	(279)
Net Income/(Expenditure) as previously restated	<u>9,756</u>	<u>1,844</u>	<u>3,549</u>	<u>15,149</u>
			As at 1 August 2014 £'000	As at 31 July 2015 £'000
Net Funds (as previously stated)			27,343	37,378
Unrestricted			(947)	(1,226)
Recognition of pension deficit			(52)	(52)
Recognition of accrued holiday pay for non-academic staff				
Total unrestricted			<u>26,344</u>	<u>36,100</u>
Restricted			7,547	9,391
Total restricted			<u>7,547</u>	<u>9,391</u>
Endowed			64,981	68,530
Total Endowed			<u>64,981</u>	<u>68,530</u>
Net Funds (as restated)			<u>98,872</u>	<u>114,021</u>

The most significant change is the recognition of a liability in respect of the deficit reduction arrangements for multi employer pension defined benefit pension schemes that are accounted for as defined contribution schemes.

FRS 102 explicitly requires accrued compensated absences to be accounted for. An accrual in respect of accrued holiday pay for non-academic staff has been recognised in the financial statements.