

Keble College

Annual Report and Financial Statements

Year ended 31 July 2016

KEBLE COLLEGE
Annual Report and Financial Statements
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KEBLE 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 Governing Body determines the ongoing strategic direction of the College and regulates its administration and the management of its finances and assets. It is served by five principal committees:

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

The members of the Governing Body who served in office as Governors during the 2015-16 year or subsequently, and the membership of the five principal committees, are detailed below. In addition the Governing Body, the Finance Committee and the Academic Committee have non-voting student representatives.

		(1)	(2)	(3)	(4)	(5)
Sir Jonathan Phillips	Warden	•	•	•	•	
Mr RJ Boden	Bursar	•	•		•	
Dr AP Rogers	Senior Tutor			•		
Ms J Tudge	Director of Development				•	
The Revd Dr J Strawbridge	Chaplain (to 30.9.16)					
Prof HL Anderson	Professorial Fellow					
Dr S Apetrei	Fixed Term Fellow in Theology					
Dr IW Archer	Fellow & Tutor in Modern History				•	
Dr LM Bendall	Fellow & Tutor in Archaeology and Anthropology			•		
Dr M Bevis	Fellow & Tutor in English			•		
Prof M Bockmuehl	Professorial Fellow					
Dr S Butt	Fellow & Tutor in Neurophysiology			•		
Prof SA Cameron	Fellow & Tutor in Computer Science	•	•			
Prof F Caron	Fellow & Tutor in Statistics (from 1.9.15)					
Dr A Caughey	Fixed Term Fellow in Old & Middle English (to 30.9.15)					
Prof G-Q Chen	Professorial Fellow					
Dr M Clarke	Fellow & Tutor in Social Anthropology					
Prof N Eubank	Fellow & Tutor in Theology					
Revd Nevsky Everett	Chaplain (from 1.10.16)					
Prof S Faulkner	Fellow & Tutor in Inorganic Chemistry			•		
Prof S Fletcher	Fellow & Tutor in Chemistry (from 1.9.15)					
Prof N Gardini	Fellow & Tutor in Italian					
Prof C Gosden	Professorial Fellow					
Dr J Goudkamp	Fellow & Tutor in Law					
Dr B Greenhough	Fellow & Tutor in Geography					
Dr U Gruneberg	Fellow & Tutor in Exp. Pathology					
Dr ERF Harcourt	Fellow & Tutor in Philosophy				•	
Dr MN Hawcroft	Fellow & Tutor in French					
Prof T Higham	Fellow by Special Election					
Prof J Hodgkin	Professorial Fellow (to 30.9.16)	•				
Prof T Irwin	Professorial Fellow					
Prof D Jaksch	Fellow & Tutor in Physics					
Prof PW Jeffreys	Professorial Fellow (to 30.9.15)	•				
Prof TJ Jenkinson	Professorial Fellow		•			
Prof A Juhasz	Fellow & Tutor in Mathematics (from 1.9.13)					
Prof SE Kearsley	Fellow & Tutor in Biology			•		
Prof V Mayer-Schonberger	Professorial Fellow				•	
Dr D McDermott	Fellow & Tutor in Politics					

KEBLE COLLEGE**Governing Body, Officers and Advisers****Year ended 31 July 2016**

Dr A-MS Misra	Fellow & Tutor in Modern History			•		
Prof P Newman	Professorial Fellow					
Prof S Payne	Fellow & Tutor in Engineering Science					
Prof WE Peel	Fellow & Tutor in Jurisprudence			•		
Ms A Ptak-Danchak	Fellow by Special Election			•		
Prof D Purkiss	Fellow & Tutor in English Language & Literature					
Prof S Rayner	Professorial Fellow					
Prof G Reinert	Professorial Fellow					
Dr K Sheppard	Fellow & Tutor in Economics					
Dr B Smith	Fellow & Tutor in Experimental Physics (to 15.9.16)	•				
Dr H Smith	Fellow & Tutor in Economics					
Dr K Soonawalla	Fellow & Tutor in Management					
Prof PH Taylor	Fellow & Tutor in Civil Engineering					
Prof J Tomlinson	Professorial Fellow					
Prof R Washington	Fellow & Tutor in Geography					
Prof S Whatmore	Professorial Fellow and Sub-Warden					
Prof S Zivny	Fellow & Tutor in Computer Science (from 1.7.16)					

Non-Trustee Committee Members

		(1)	(2)	(3)	(4)	(5)
Mr S Barnes	External				•	
Dr C Booth	Fellow by Special Election	•				
Mr J Buchanan	External					•
Mr M Chambers	External		•			
Mr A Dalkin	External					•
Ms H Harrison	External					•
Prof A Hawkins	Fellow by Special Election	•				
Dr N Herring	Fellow by Special Election			•		
Mr R Jolliffe	External		•			
Dr H Jones	Fellow by Special Election		•			
Mr M Jones	External		•			
Mr G Kerr	Fellow by Special Election	•				
Ms Y Murphy	Librarian			•		
Ms J Newbury	External					•
Mr G Robinson	External		•			
Dr T Sowerby	Research Fellow & Tutor (to 30.9.15)			•		
Mr C Wigg	External (to 31-03-16)					•
Mr J Church	External (from 01-04-16)					•

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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.

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

Auditor

Critchleys LLP
Greyfriars Court
Paradise Square
Oxford
OX1 1BE

Bankers

Barclays Bank Plc
Oxford City Centre Branch
PO Box 333
Oxford
OX1 3HS

Investment managers

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

Solicitors

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

COLLEGE ADDRESS

Keble College
Parks Road
Oxford
OX1 3PG

Website

www.keble.ox.ac.uk

KEBLE COLLEGE

Report of the Governing Body

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

REFERENCE AND ADMINISTRATIVE INFORMATION

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

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

Governing Body

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

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

Recruitment and training of Members of the Governing Body

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

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

Remuneration of Members of the Governing Body and Senior College Staff

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

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

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Report of the Governing Body

The management of the College

The Governing Body meets 9 times a year. The work of developing College policy and monitoring implementation is carried out by 15 committees:

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

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Report of the Governing Body

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

Group structure and relationships

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

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

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

OBJECTIVES AND ACTIVITIES

Charitable Objects and Aims

The College's Objects are:

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

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

Public benefit

The College provides, in conjunction with the University of Oxford, an education for some 416 undergraduate and 227 graduate students which is recognised internationally as being of the highest standard. This education develops students academically and enables them to develop their leadership qualities and interpersonal skills, and so prepares them to play full and effective roles in society. In particular, the College provides:

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

The College advances research through:

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

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

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

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

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

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

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

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

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

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

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

The College charges the following fees:

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

In order to assist undergraduates entitled to Student Support, there is a comprehensive bursary scheme in place to support students from lower income backgrounds, which is funded by both the University and College. The types and level of support varied during the 2015-16 academic year, due to the introduction of a new fee regime, (which incorporated fee waivers) and hence the introduction of a slightly different Bursary scheme (Oxford Bursary Scheme) for those Undergraduates commencing study with effect from October 2012. The following is a summary of awards made to Home/EU undergraduates during the year:

Oxford Opportunity Bursaries (Pre 2012 entry): 2 awards out of a Home/EU population of 3; 2 of the awards were at the maximum value of £3,225.

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Oxford Bursary (October 12 starters): 13 awards out of a Home/EU population of 35: 9 of the awards were at the maximum value of £3,300 and the average value of the awards was £2,900.

Oxford Bursary (October 2013 starters): 32 awards out of a Home/EU population of 98: 11 awards at the maximum of £3,300: the average value of the awards was £2,537.

Oxford Bursary (October 2014 starters): 17 awards out of a Home/EU population of 112: 7 awards at the maximum of £3,300: the average value of the awards was £2,624.

Oxford Bursary (October 2015 starters): 22 awards out of a Home/EU population of 115: 8 awards at the maximum of £4,500: the average value of the awards was £3,000.

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

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

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

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

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

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

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

ACHIEVEMENTS AND PERFORMANCE

In the 2015-16 undergraduate admissions round Keble received 933 applications (an increase of 8% over the previous year), again the highest ever number for the College and third highest for any Oxford college. In eight subjects, mostly sciences, Keble received more applications than any other college; the number of applicants for humanities subjects remains relatively low compared with other colleges, perhaps because of Keble's geographical location. This is largely offset by the increased use of inter-collegiate allocation arrangements which aim to even out the distribution of applicants by college.

Just under three-quarters of Keble applicants were from the UK and 11% came from elsewhere in the EU. Among Home (UK) applicants, 54% attended schools in the UK maintained sector and they comprised around two-fifths (44%) of all applicants. This is a lower proportion than in recent years, although in absolute terms the number of applicants from UK maintained schools continues to rise.

Arising from 933 applications, 174 offers were made (119 at Keble and 55 at other colleges). There were 27 imports, applicants to other colleges who were made an offer at Keble. In total, there were 146 offers at Keble, a slightly higher

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Report of the Governing Body

figure than usual. In terms of offers made the proportions were: UK independent 44%; UK maintained 44%; and other (individuals and overseas schools) 11%. A slightly higher proportion of offers was made to applicants from UK maintained schools than in most recent years, not taking into account offers made to Keble applicants by other colleges.

There were 647 students in College at the December 2015 census date (including 4 visiting students). Of these, 416 (64%) were undergraduates and 227 (36%) postgraduates, divided between 138 on research degrees and 89 on taught degrees. Thirty-four graduates on research degrees submitted doctoral theses during the year.

Among all students 69% were from the UK and 31% from elsewhere. Around two-thirds of non-UK students were graduates. The majority of students were male (61%) although there was slightly more parity among undergraduates (58% male and 42% female). Analysis undertaken for the College's HR and Equality Committee shows that this balance reflects the College's mix of subjects.

Just under one fifth of Keble students who state their ethnicity can be classified as BME according to the University's criteria. They are evenly split between undergraduates and graduates. Most of the undergraduates are from the UK (64%) and most of the graduates (75%) are from outside the UK. Ten per cent of Keble students have a registered disability, slightly above the average for the University; of these, 27 disclosed a specific learning disability. Keble uses figures provided by the University's Student Data Management and Analysis to monitor progress on equality issues.

The College sustains a large welfare team, whose members regularly attend appropriate training. In 2015 the College added a third Junior Dean to address the need for more welfare support for graduates outside term time. Retention rates remain very high. At Keble there were only 16 withdrawals in the five years after 2011. The number of students (both undergraduates and graduates) who suspend their studies for a year or more remains constant; almost all return and complete their programmes.

The College's academic performance was sustained in 2015-16. One hundred and eighteen students sat Final Examinations and 41 (35%) obtained first class degrees; by the standards of all colleges, this is above average. For the second year running the College's target of 35% of finalists obtaining Firsts has been met. Analysing examination results relative to the rest of the University, it is apparent that there is marked consistency: around 90 per cent of finalists succeed in obtaining a first or upper second (the balance between these outcomes fluctuates) and around 10 percent are awarded a 2.2 or lower. The Senior Tutor, assisted by the Tutorial Board and Academic Committee, continues to monitor academic progress by individual and subject closely, benchmarking outcomes and resources against other colleges. A system of prizes and related incentives and encouragement has improved academic performance at the top end. A priority is now to address the ten per cent of relatively low outcomes.

As part of the University, Keble aims to meet a series of admissions targets agreed with the Office of Fair Access (OFFA). In general, these are designed to increase the volume and quality of applications (and subsequently offers) from schools and areas with a relatively low level of progression to the University.

During the 2015-16 academic year, the College engaged with 81 different schools at 45 different outreach events, primarily through the Outreach Officer. This is comparable to engagement in the 2014-15 year (77 schools at 46 events). A large proportion (34) of these schools were from the Keble regional outreach areas of Birmingham, Sandwell, Solihull, Warwickshire and Coventry. Nine of these schools had had no prior contact with the College. This level of engagement is currently sustainable, and it is not envisaged that the volume of events will be increased in the near future. The Outreach Officer will, however, continue to focus on participating in more extensive large-scale outreach programmes such as the highly successful Oxford Pathways Project, which engages with more than 2,000 non-selective state school pupils annually. In conjunction with other colleges and departments across the University, Keble has begun to use the HEAT database as a way of tracking engagement outreach activities and assessing their effectiveness.

The College also continues to support research activities. There were nine College-only appointments with research duties in 2015-16; securing funding for such appointments, including Career Development Fellows, is a priority. Fellows are supported through sabbatical entitlement, academic allowances for research and teaching purposes and the small grants programme of the Advanced Studies Centre (which disbursed £9,200 during the year). There are fourteen research associates, individuals who hold departmental positions but who would otherwise have no college association. Keble welcomed ten senior research visitors from around the world for stays of up to 4 weeks.

FINANCIAL REVIEW

Operations, funding and capital expenditure

The charitable activities of the College consist of teaching and research, together with the provision of board and lodging to College members in buildings owned by the College, most of which are Grade 1 or Grade 2* listed. The income generated by these activities amounted to £6.01m, a £338k decrease compared with the previous year. The decrease is chiefly attributable to a decline in charitable conference income (which was more than offset by the increase in non-charitable conference income). However, fewer Visiting Students and a reduction in graduate room rental income, as work

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began on the Acland site (see below), also contributed to the decrease. The cost of undertaking these charitable activities amounted to £9.51m. Thus, the operating deficit from charitable activities was £3.49m. Funding for this operating deficit comes from three sources: donations, trading income and transfers from the College's endowment.

Donations received by the College totalled £2.09m. The composition of this total was as follows:

	£000s
Income gifts	949
Gifts for capital projects	921
Endowment gifts	224
	<u>2,094</u>

Income from non-charitable conferences and other trading activities amounted to £2.17m against expenditure of £1.25m.

The College manages its endowment for total return and has adopted a spending rule that allows transfers of 3.15% of the average closing value of the endowments over the previous three years. However the Governing Body has decided that for 2015-16, 2016-17 and 2017-18 the spending rule percentage should be temporarily increased to 4% in order to offset the dislocation costs associated with the Acland redevelopment project. In 2018-19 the spending rule percentage will revert to 3.15%. 2015-16 transfers under the spending rule amounted to £1.26m including £45k for external purposes (the support of Keble parishes). Income gifts, conference surpluses and endowment transfers substantially cover the operating deficit on charitable activities and to fund the College's fundraising and alumni relations activities.

As forecast in the 2015 Annual Report, the College has now commenced work on its Acland site to develop the HB Allen Centre at a total cost of £69m. Approximately £35m has been donated or pledged, including £25m from the HB Allen Trust. The College has borrowed £30m through a 40 year private placement (35 year average life) at a fixed rate of 3.366% p.a. The balance of the project funding will come from a combination of further gifts and further borrowing. BAM Construction were appointed as main contractor in December 2015 and extensive pre-contract works began in March 2016. These included demolition of most of the existing buildings on the site, resulting in a non-cash loss on disposal of fixed assets of £2.46m. The main contract was signed on 16 September 2016, with project completion scheduled for September 2018. The HB Allen Centre will provide 255 units of accommodation, mainly for graduate students, and 2,000m² of research and office space. Financing for the Centre has been structured on a project basis such that the cash flows from the completed development will fully cover both operating costs and debt service.

In addition to the HB Allen project the College continued its substantial programme of capital improvements, investing a further £2.2m in a range of projects including £1.36m on the renewal of the Victorian rooms and corridors and £400k on the conversion of 23 Banbury Road from residential to research space. Enabling work has also begun on a £3.5m project to renew the College kitchen and extend the servery; the main project is planned to commence in October 2018, provided sufficient funds can be raised.

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

- funding for academic activities not keeping pace with costs
- poor investment performance
- decline in vacation conference business
- decline in philanthropic support

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

Reserves policy

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

Total funds of the College and its subsidiaries at the year-end amounted to £91.5m (2015: £90.6m). This includes endowment capital of £39.3m and unspent restricted income funds totalling £0.4m. Free reserves at the year-end amounted to -£2.8m (2015: £0.4m), representing retained unrestricted income reserves excluding an amount of £28.7m for the book value of tangible fixed assets less associated funding arrangements.

The Governing Body has set a policy target for free reserves at the equivalent of three months' expenditure on charitable objects (currently £1.8m). The negative free reserve in the reporting year reflects enabling works expenditure on the Acland redevelopment project prior to entry into the main construction contract. Going forward, those works will be absorbed in that contract and linked to the funding arrangements for the Acland project.

KEBLE COLLEGE

Report of the Governing Body

Whilst adopting a policy target for free reserves, the Governing Body also recognises that expenditure on certain capital improvements could be postponed in the event of a cash-flow problem. The annual depreciation charge, which is the primary source of funding for capital projects, is £1.3m. A one-year moratorium on renovation projects would bring free reserves up to the target level. Recognising that, by 2021, the College's fifteen year programme of major improvements to its existing building stock will have been completed, the Governing Body deems it reasonable to continue to operate at a lower level of free reserves in the meantime.

Risk management

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

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

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

Activity and risk	Committee	Risk management measures adopted	Progress report for 2015-16 and further measures to be considered during 2016-17
Staff Quality: Failure to attract and retain high quality academic staff.	Academic	College housing allowance and housing scheme. College accommodation for single Fellows. Private health insurance scheme. Engagement with faculties to support requests for buy-outs, and special leave. Active engagement with University-wide recruitment.	The shared equity scheme has been restored with a revised threshold and maximum College participation; it will be kept under review via Finance Committee. The College has adopted the University variation of academic duties scheme and buy-out regulations are under review.
Teaching: Poor quality, poor organisation; implementation of academic strategy; University & external pressure on Fellows	Academic	Feedback questionnaires; structure of tutorial organisation reviewed; informal appraisals of Fellows by Warden and Senior Tutor before confirmation and re-election and appropriate reviews at other times; tuition records; College template on duties of tutorial fellows.	The College met the requirements of the annual Quality Assurance process for academic provision. These may be reviewed in light of recommendations from the Higher Education Review.
Fundraising: Loss of personal data	Development	Staff aware of Data Protection issues & management of risk. Remote access to DARS now technically possible for DoD & AD.	All staff to read and sign data protection guidelines. Taking advice on need for Alumni and Dev Office staff to undergo criminal records checks on point of offer of position given sensitivity of data being handled and access to DARS.
Funding: Changes in College fee/ external funding; impact on colleges of likely deficit in University funding	Finance	Work through Conference of Colleges and Estates Bursars Committee.	Further postponement of JRAM and CFF review, now unlikely to bring in any adjustments until 17/18 at the earliest. However, by then the £9k cap will have been raised. Also, graduate numbers, and hence fee income, will have increased significantly.
Information and IT provision: Loss of key equipment	Finance	Data backed up to prevent loss of work.	Servers now backed up through different methods to central University service, allowing for for speedier 'bare metal' recovery of the whole server as well as file level recovery.
Investment management: Poor investment performance	Finance	Investment Advisory Committee meets at least once a year.	85% of the endowment now invested with OUEM, which continues to perform well. Proceeds of the £30m private placement have been invested on terms to match the cash flow requirements of the project, the bank credits having been vetted by Investment Advisory Committee.

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Report of the Governing Body

Activity and risk	Committee	Risk management measures adopted	Progress report for 2015-16 and further measures to be considered during 2016-17
Conferences: Poor service	Finance	Emphasis on importance of customer service.	Investment in room upgrades (both residential and seminar) continues and we now have an in-house AV technician to ensure quality and reliability of AV equipment and service. The Kitchen project will further enhance service provision.
Conferences: Recession and 'event' risk	Finance	Diversification of client base, more proprietary conferences.	Conference team continues to monitor the market closely and respond to trends. We are taking a more robust attitude to repeat clients who show a pattern of booking more than they ultimately take.
Board and lodging: Water contamination	Health & Safety	Strict adherence to regulations. Liability insurance (£10mn limit any one occurrence).	P1 and 2 boiler renewal completed and new pipework installed in P2. Also, Acland site scheduled for demolition in summer 2016, eliminating a further significant source of risk.
Recreation and sports: Accidents	Health & Safety	Follow University policy and guidelines and take measures to raise awareness of risk.	Follow University policy and guidelines and take measures to raise awareness of risk.
Information and IT provision: Data Protection failure	Information Security	Publicise rules.	Gap analysis completed. The Information Security Code of Conduct (a summary of the Information Security Policy) to be circulated to all staff and fellows, all of whom would be asked to sign a paper to confirm they had read and understood it.

Investment policy, objectives and performance

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

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

To meet these objectives the College's investments as a whole are managed on a total return basis, maintaining diversification across a range of asset classes in order to produce an appropriate balance between risk and return. In line with this approach, the College statutes allow the College to invest permanent endowments to maximise the related total return and to make available for expenditure each year an appropriate proportion of the unapplied total return. The investment strategy, policy and performance are monitored by the Finance Committee. At the year end, the College's endowment totalled £39.3m. The aggregate investment return for the year was 9.2%.

The carrying value of the preserved permanent capital and the amount of any unapplied total return available for expenditure was taken as the open market values of these funds as at 1 August 2004 together with the original gift value of all subsequent endowment received.

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

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

FUTURE PLANS

In 2004 the College acquired the Acland site and, in 2010, obtained planning permission for the redevelopment of the site to house 230 students. In October 2015, following confirmation of a capital grant of £25m from the HB Allen Trust, the College began the implementation of the project. A £30m 40-year loan was concluded at a fixed rate of 3.366% p.a. and in December 2015 BAM Construction was appointed as the main contractor. Enabling work commenced in March 2016 and on 27th July the Governing Body approved a fixed price construction contract, which was signed on 16th September. The project is due to be completed by 1st October 2018 at an overall cost of £69m. Of this, at least half will be funded by confirmed philanthropic gifts and the balance by long-term debt.

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Report of the Governing Body

The redeveloped site, to be named the HB Allen Centre, will provide 255 units of accommodation, devoted largely to a new graduate centre, and 2,100m² of research/office space which is being let on long term leases for University and University-related research and development activities. The net cash flow from the project will be sufficient to service the debt in full, both as to interest and the repayment of the principal.

On the College's main site work will continue on the refurbishment and renewal of the Victorian buildings. In 2016-17 the College will undertake phase 7 of its 8-phase programme to upgrade the student rooms and corridors. It will also complete the installation of a step-free access lift to Hall (funded by a grant from the HB Allen Trust) and (with the aid of a grant from the University's College Contributions Scheme) will undertake repairs and renovations to the Hall windows. Planning will also continue on a major project, to be undertaken in 2018-19, to install a new main kitchen, expand the Hall servery and complete the restoration of the Hall fabric.

STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES

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

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

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

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

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

Approved by the Governing Body on 2nd November 2016 and signed on its behalf by:

Sir Jonathan Phillips
Warden

KEBLE COLLEGE

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

We have audited the financial statements of Keble 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 Cash Flow Statement and the related notes numbered 1 to 29.

This report is made solely to the College's Governing Body in accordance with sections 144 and 151 of the Charities Act 2011 and regulation 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.

Critchleys LLP
Statutory Auditor
Oxford

Date:

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

KEBLE 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, Conference Keble Limited and Keble Properties Limited. No separate SOFA has been presented for the College alone, as currently permitted by the Charity Commission on a concessionary basis. A summary of the results and financial position of the charity and each of its material subsidiaries for the reporting year are in note 12.

2. Basis of accounting

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

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

The 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.

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

3. Accounting judgements and estimation uncertainty

In the view of the Governing Body, in applying the accounting policies adopted no judgements were required that have a significant effect on the amounts recognised in the financial statements.

4. Income recognition

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

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

Fees receivable, HEFCE support and charges for services and use of the premises are recognised in the period in which the related service is provided.

b. Income from donations, grants and legacies

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

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

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

c. Investment income

Interest on bank balances is accounted for on an accrual basis with interest recognised in the period to which the interest relates. Income from fixed interest debt securities is recognised using the effective interest rate method. Dividend income and similar distributions are recognised on the date the share interest becomes ex-dividend or when the right to the dividend can be established. Income from investment properties is recognised in the period to which the rental income relates.

5. Expenditure

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

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

All expenditure including support costs and governance costs are allocated or apportioned to the applicable expenditure categories in the Statement of Financial Activities (the SOFA). Support costs, which include governance costs (costs of complying with constitutional and statutory requirements) and other indirect costs, are apportioned to expenditure categories in the SOFA based on the estimated amount attributable to that activity in the year, either by reference to staff time or the use made of the underlying assets, as appropriate. Irrecoverable VAT is included with the item of expenditure to which it relates.

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

6. Leases

Leases of assets that transfer substantially all the risks and rewards of ownership are classified as finance leases. The costs of the assets held under finance leases are included within fixed assets and depreciation is charged over the shorter of the lease term and the assets' useful lives. Assets are assessed for impairment at each reporting date. The corresponding capital obligations under these leases are shown as liabilities and recognised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. Lease payments are apportioned between capital repayment and finance charges in the SOFA so as to achieve a constant rate of interest on the remaining balance of the liability. Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Rentals payable under operating leases are charged in the SOFA on a straight line basis over the relevant lease terms. Any lease incentives are recognised over the lease term on a straight line basis.

7. Tangible fixed assets

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

Expenditure on the acquisition or enhancement of land and on the acquisition, construction and enhancement of buildings which is directly attributable to bringing the asset to its working condition for its intended use and amounting to more than £20,000 together with expenditure on equipment costing more than £20,000 is capitalised. Where a part of a building or equipment is replaced and the costs capitalised, the carrying value of those parts replaced is derecognised and expensed in the SOFA.

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

8. Depreciation

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

Freehold properties, including major extensions	25 years
Leasehold properties	25 years or period of lease if shorter
Building improvements	25 years
Equipment	5 years

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Statement of Accounting Policies
Year ended 31 July 2016

Freehold land is not depreciated. The cost of maintenance is charged in the SOFA in the period in which it is incurred. At the end of each reporting period, the residual values and useful lives of assets are reviewed and adjusted if necessary. In addition, if events or change in circumstances indicate that the carrying value may not be recoverable then the carrying values of tangible fixed assets are reviewed for impairment.

9. Heritage Assets

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

10. Investments

Investment properties are initially recognised at their cost and subsequently measured at their fair value (market value) at each reporting date. Purchases and sales of investment properties are recognised on exchange of contracts. Listed investments are initially measured at their cost and subsequently measured at their fair value at each reporting date. Fair value is based on their quoted price at the balance sheet date without deduction of the estimated future selling costs.

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

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

11. Other financial instruments

a. Cash and cash equivalents

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

b. Debtors and creditors

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

12. Stocks

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

13. Foreign currencies

The functional and presentation currency of the College and its subsidiaries is the pound sterling. Transactions denominated in foreign currencies during the year are translated into pounds sterling using the spot exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into pounds sterling at the rates applying at the reporting date. Foreign exchange gains and losses resulting from the settlement of transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the exchange rates at the reporting date are recognised in the income and expenditure section of the SOFA.

14. Total Return investment accounting

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

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Statement of Accounting Policies
Year ended 31 July 2016

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 be either be retained for investment or released to income at the discretion of the Governing Body.

15. Fund accounting

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

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

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

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

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

16. Pension costs

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

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

Keble College

Consolidated Statement of Financial Activities

For the year ended 31 July 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		6,014	-	-	6,014	6,352
Public worship		-	-	-	-	-
Heritage		-	-	-	-	-
Other Trading Income	3	2,172	-	-	2,172	1,882
Donations and legacies	2	448	1,422	224	2,094	2,050
Investments						
Investment income	4	159	-	1,180	1,339	1,076
Total return allocated to income	13	593	670	(1,263)	-	-
Other income		116	-	-	116	118
Total income		9,502	2,092	141	11,735	11,478
EXPENDITURE ON:						
	5					
Charitable activities:						
Teaching, research and residential		8,484	1,021	-	9,505	8,742
Public worship		-	-	-	-	-
Heritage		-	-	-	-	-
Generating funds:						
Fundraising		631	8	-	639	619
Trading expenditure		1,253	-	-	1,253	1,038
Investment management costs		-	-	-	-	-
Total Expenditure		10,368	1,029	-	11,397	10,399
Net Income/(Expenditure) before gains		(866)	1,063	141	338	1,079
Net gains/(losses) on investments	, 11	832	-	2,228	3,060	3,102
Fixed asset impairment charge	9	(2,461)	-	-	(2,461)	-
Net Income/(Expenditure)		(2,495)	1,063	2,369	937	4,181
Transfers between funds	17	936	(936)	-	-	-
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		(1,559)	127	2,369	937	4,181
Fund balances brought forward	17	53,380	274	36,908	90,562	86,381
Funds carried forward at 31 July		51,821	401	39,277	91,499	90,562

Keble 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	28,663	27,132	28,663	27,132
Heritage assets	10	27,108	27,108	27,108	27,108
Property investments	0	-	-	-	-
Other Investments	11	48,680	37,979	48,680	37,979
Total Fixed Assets		104,451	92,219	104,451	92,219
CURRENT ASSETS					
Stocks		67	76	67	76
Debtors	14	1,173	1,474	652	1,017
Investments		-	-	-	-
Cash at bank and in hand		19,791	48	19,500	(96)
Total Current Assets		21,031	1,598	20,219	997
LIABILITIES					
Creditors: Amounts falling due within one year	15	2,812	2,019	2,074	1,481
NET CURRENT ASSETS/(LIABILITIES)		18,219	(421)	18,145	(484)
TOTAL ASSETS LESS CURRENT LIABILITIES		122,670	91,798	122,596	91,735
CREDITORS: falling due after more than one year	16	30,000	-	30,000	-
Provisions for liabilities and charges		-	-	-	-
NET ASSETS/(LIABILITIES) BEFORE PENSION ASSET OR LIABILITY		92,670	91,798	92,596	91,735
Defined benefit pension scheme liability	21	1,171	1,236	1,171	1,236
TOTAL NET ASSETS/(LIABILITIES)		91,499	90,562	91,425	90,499
FUNDS OF THE COLLEGE					
Endowment funds		39,277	36,908	39,277	36,908
Restricted funds		401	274	401	274
Unrestricted funds					-
Designated funds		28,663	27,132	28,663	27,132
General funds		(2,779)	376	(2,853)	313
Revaluation reserve		27,108	27,108	27,108	27,108
Pension reserve	21	(1,171)	(1,236)	(1,171)	(1,236)
		91,499	90,562	91,425	90,499

The financial statements were approved and authorised for issue by the Governing Body of Keble College on 2 November 2016

Sir Jonathan Phillips

R J Boden

Warden

Bursar

Keble 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	26	1,801	284
Cash flows from investing activities			
Dividends, interest and rents from investments		1,339	1,076
Proceeds from the sale of property, plant and equipment		-	-
Purchase of property, plant and equipment		(5,318)	(1,472)
Proceeds from sale of investments		312	969
Purchase of investments		(7,953)	(2,071)
Net cash provided by (used in) investing activities		(11,620)	(1,498)
Cash flows from financing activities			
Repayments of borrowing		-	-
Cash inflows from new borrowing		30,000	-
Receipt of endowment		224	979
Finance costs paid		(662)	(6)
Net cash provided by (used in) financing activities		29,562	973
Change in cash and cash equivalents in the reporting period		19,743	(241)
Cash and cash equivalents at the beginning of the reporting period		48	1,296
Change in cash and cash equivalents due to exchange rate movements		-	-
Cash and cash equivalents at the end of the reporting period	24	19,791	1,055

Keble College
Notes to the financial statements
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1 INCOME FROM CHARITABLE ACTIVITIES

	2016 £'000	2015 £'000
Teaching, Research and Residential		
Unrestricted funds		
Tuition fees - UK and EU students	1,885	1,891
Tuition fees - Overseas students	785	739
Other fees	256	294
Other HEFCE support	114	183
Other academic income	154	142
College residential income	2,820	3,103
	<u>6,014</u>	<u>6,352</u>
Total Teaching, Research and Residential	<u>6,014</u>	<u>6,352</u>
Total income from charitable activities	<u>6,014</u>	<u>6,352</u>

The above analysis includes £1986k received from Oxford University from publicly accountable funds under the CFF Scheme (2015: £2,064k).

2 DONATIONS AND LEGACIES

	2016 £'000	2015 £'000
Donations and Legacies		
Unrestricted funds	448	391
Restricted funds	1,422	680
Endowed funds	224	979
	<u>2,094</u>	<u>2,050</u>

3 INCOME FROM OTHER TRADING ACTIVITIES

	2016 £'000	2015 £'000
Subsidiary company trading income	2,172	1,882
Other trading income	-	-
	<u>2,172</u>	<u>1,882</u>

4 INVESTMENT INCOME

	2016 £'000	2015 £'000
<i>Unrestricted funds</i>		
Bank interest	159	4
Other interest	-	-
	<u>159</u>	<u>4</u>
<i>Endowed funds</i>		
Other investment income	1,180	1,072
Bank interest	-	-
Other interest	-	-
	<u>1,180</u>	<u>1,072</u>
Total Investment income	<u>1,339</u>	<u>1,076</u>

5 ANALYSIS OF EXPENDITURE

	2016 £'000	2015 £'000
Charitable expenditure		
Direct staff costs allocated to:		
Teaching, research and residential	3,987	3,843
Other direct costs allocated to:		
Teaching, research and residential	2,773	2,608
Support and governance costs allocated to:		
Teaching, research and residential	2,745	2,291
Total charitable expenditure	<u>9,505</u>	<u>8,742</u>

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

Expenditure on raising funds

Direct staff costs allocated to:

Fundraising	375	365
Trading expenditure	643	572

Other direct costs allocated to:

Fundraising	206	209
Trading expenditure	553	414

Support and governance costs allocated to:

Fundraising	58	45
Trading expenditure	57	52

Total expenditure on raising funds	1,892	1,657
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Total expenditure	11,397	10,399
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The 2015 resources expended of £10,399k represented £9,690k from unrestricted funds, £709k from restricted funds and £0k from endowed funds.

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

The teaching and research costs include College Contribution payable of £-9k (2015: £24k).

6 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

	Generating Funds £'000	Teaching and Research £'000	Total £'000
2016			
Financial administration	83	595	678
Domestic administration	-	-	-
Human resources	4	63	67
IT	28	144	172
Depreciation	-	1,326	1,326
Fixed asset impairment	-	2,461	2,461
Bank interest payable	-	662	662
Other finance charges	-	(65)	(65)
Governance costs	-	20	20
	115	5,206	5,321
2015			
Financial administration	69	437	506
Domestic administration	-	-	-
Human resources	4	87	91
IT	25	131	156
Depreciation	-	1,315	1,315
Fixed asset impairment	-	-	-
Bank interest payable	-	6	6
Other finance charges	-	293	293
Governance costs	-	21	21
	98	2,290	2,388

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 to the core charitable activity of tuition.

	2016 £'000	2015 £'000
Governance costs comprise:		
Auditor's remuneration - audit services	20	21
	20	21

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

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

7	GRANTS AND AWARDS	2016	2015
		£'000	£'000

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

Unrestricted funds

Grants to individuals:

Scholarships, prizes and grants	83	133
Bursaries and hardship awards	55	82
Graduate studentships	-	-
Grants to other institutions	-	-
Total unrestricted	138	215

Restricted funds

Grants to individuals:

Scholarships, prizes and grants	225	160
Bursaries and hardship awards	66	45
Graduate studentships	-	-
Grants to other institutions	45	40
Total restricted	336	245

Total grants and awards	474	460
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The above costs are included within the charitable expenditure on Teaching and Research. Grants to other institutions comprise awards to Keble parishes from the Harlow Trust and the Poor Parishes Funds.

8	STAFF COSTS	2016	2015
		£'000	£'000

The aggregate staff costs for the year were as follows.

Salaries and wages	4,714	4,503
Social security costs	306	277
Pension costs:		
Defined benefit schemes	457	800
Defined contribution schemes	14	13
Other benefits	-	-
	5,491	5,593

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

	2016	2015
Tuition and research	7	7
College residential	63	64
Fundraising	5	5
Support	18	17
Total	93	93

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

University Lecturers	22	21
CUF Lecturers	7	7
Other teaching and research	-	-
Other	10	9
Total	39	37

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

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

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:

	2016	2015
£70,001-£80,001	1	1
The number of the above employees with retirement benefits accruing was as follows:		
In defined benefits schemes	1	1
	£'000	£'000
The College contributions to defined contribution pension schemes totalled	14	13

9 TANGIBLE FIXED ASSETS

Group and College	Freehold land and buildings £'000	Plant and machinery £'000	Total £'000
Cost			
At start of year	37,327	2,920	40,247
Additions	4,771	547	5,318
Disposals	(4,367)	-	(4,367)
At end of year	37,731	3,467	41,198
Depreciation and impairment			
At start of year	11,430	1,685	13,115
Depreciation charge for the year	1,077	249	1,326
Depreciation on disposals	(1,906)	-	(1,906)
Impairment	-	-	-
At end of year	10,601	1,934	12,535
Net book value			
At end of year	27,130	1,533	28,663
At start of year	25,897	1,235	27,132

The redevelopment of the College's Acland site required the demolition of buildings that were acquired at a cost of £4,367k and against which depreciation of £1,906k has been charged. The net effect is an impairment charge of £2,461k.

In addition to its heritage assets (see note 10) the College has substantial long-held historic assets all of which are used in the course of the College's teaching and research activities. These comprise listed buildings on the College site, together with their contents 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.

10 HERITAGE ASSETS

College and Group	Paintings At Valuation £'000	Manuscripts At Valuation £'000	Incunabula At Valuation £'000	Total £'000
At start of year	12,550	12,840	1,718	27,108
Additions	-	-	-	-
Disposals	-	-	-	-
Impairment	-	-	-	-
Revaluation	-	-	-	-
At end of year	12,550	12,840	1,718	27,108

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

All three classes of assets were valued as at 31 July 2014. The pictures were valued by Christie's, the manuscripts by Dr Christopher de Hamel, FSA and the incunabula by Mr Richard A. Linenthal, Vice-President of the Bibliographical Society.

The College has no plans to acquire new heritage assets or dispose of any that it now holds. Additions to the collection will thus only occur when gifts of artefacts are made on the condition that they be held as heritage assets.

11 OTHER INVESTMENTS

All investments are held at fair value.

	2016 £'000	2015 £'000
Group investments		
Valuation at start of year	37,979	33,775
New money invested	7,724	979
Amounts withdrawn	(1,263)	(949)
Reinvested income	1,180	1,072
Investment management fees	-	-
(Decrease)/increase in value of investments	3,060	3,102
Group investments at end of year	48,680	37,979
Investment in subsidiaries	-	-
College investments at end of year	48,680	37,979

Group investments comprise:	Held outside the UK £'000	Held in the UK £'000	2016 Total £'000	Held outside the UK £'000	Held in the UK £'000	2015 Total £'000
Equity investments	-	1,074	1,074	-	786	786
Global multi-asset funds	-	32,420	32,420	-	30,988	30,988
Property funds	-	1,505	1,505	-	1,314	1,314
Fixed interest stocks	-	-	-	-	-	-
Alternative and other investments	1,826	9,621	11,447	1,794	1,307	3,101
Fixed term deposits and cash	-	2,234	2,234	-	1,790	1,790
Total group investments	1,826	46,854	48,680	1,794	36,185	37,979

12 PARENT AND SUBSIDIARY UNDERTAKINGS

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

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

	Parent College £'000	Keble Properties £'000	Conference Keble £'000
Income	6,436	3,091	2,208
Expenditure	(7,126)	(3,049)	(1,223)
Donation to College under gift aid	1,018	(33)	(985)
Result for the year	328	10	0
Total assets	124,670	543	613
Total liabilities	(33,245)	(543)	(540)
Net funds at the end of year	91,425	-	73

Keble College
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13 STATEMENT OF INVESTMENT TOTAL RETURN

The Trustees have adopted a duly authorised policy of total return accounting for the College investment returns with effect from 2003. The investment return to be applied as income is calculated as 3.15% or 4.0%, depending on the nature of the fund (2015: 3.15% for all funds) of the average of the year-end values of the relevant investments in each of the last 3 years. The preserved (frozen) value of the invested endowment capital represents its open market value on 31 July 2004 together with all subsequent endowments valued at date of gift.

	Permanent Endowment Trust for Investment £'000	Unapplied Total Return £'000	Total £'000	Expendable Endowment £'000	Total Endowments £'000
At the beginning of the year:					
Gift component of the permanent endowment	20,259	-	20,259	-	20,259
Unapplied total return	-	9,352	9,352	-	9,352
Expendable endowment	-	-	-	7,297	7,297
Total Endowments	20,259	9,352	29,611	7,297	36,908
Movements in the reporting period:					
Gift of endowment funds	129	-	129	95	224
Recoupment of trust for investment	-	-	-	-	-
Allocation from trust for investment	-	-	-	-	-
Investment return: dividends and interest	-	928	928	252	1,180
Investment return: realised and unrealised gains and losses	-	1,752	1,752	476	2,228
Less: Investment management costs	-	-	-	-	-
Other transfers	-	-	-	-	-
Total	129	2,680	2,809	823	3,632
Unapplied total return allocated to income in the reporting period	-	(1,000)	(1,000)	-	(1,000)
Expendable endowments transferred to income	-	-	-	(263)	(263)
	-	(1,000)	(1,000)	(263)	(1,263)
Net movements in reporting period	129	1,680	1,809	560	2,369
At end of the reporting period:					
Gift component of the permanent endowment	20,388	-	20,388	-	20,388
Unapplied total return	-	11,032	11,032	-	11,032
Expendable endowment	-	-	-	7,857	7,857
Total Endowments	20,388	11,032	31,420	7,857	39,277

14 DEBTORS

	2016 Group £'000	2015 Group £'000	2016 College £'000	2015 College £'000
Amounts falling due within one year:				
Trade debtors	494	510	182	81
Amounts owed by College members	68	58	68	58
Loans repayable within one year	11	14	11	14
Prepayments and accrued income	400	875	366	847
Other debtors	200	17	25	17
Amounts falling due after more than one year:				
Loans	-	-	-	-
	1,173	1,474	652	1,017

15 CREDITORS: falling due within one year

	2016 Group £'000	2015 Group £'000	2016 College £'000	2015 College £'000
Trade creditors	1,467	1,213	984	724
Amounts owed to Group undertakings	-	-	345	164
Taxation and social security	118	171	118	171
College contribution	-	-	-	-
Accruals and deferred income	1,000	429	400	216
Other creditors	227	206	227	206
	2,812	2,019	2,074	1,481

Keble College
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16 CREDITORS: falling due after more than one year

	2016 Group £'000	2015 Group £'000	2016 College £'000	2015 College £'000
Private placement	30,000	-	30,000	-
	30,000	-	30,000	-

On 8th December 2015 the College drew down a £30m unsecured loan from a pension fund. The loan has a fixed interest rate of 3.366% p.a and a final term of 40 years, with repayment in ten equal annual instalments commencing on 8th December 2046. The proceeds will be applied to the construction of the HB Allen Centre on the Acland site. For the period up to 31st July 2016 the costs associated with the loan, including arrangement fees, legal costs and interest, were expensed, whilst income and gains arising from the temporary reinvestment of the loan proceeds were taken into income. On 27th July 2016 the College's Governing Body approved the contract with BAM Construction for the construction of the HB Allen Centre on the Acland site. The contract was signed on 16th September. In accordance with FRS 102, from 1st August 2016 until the completion of the project, loan interest net of any income from temporary reinvestment of the loan proceeds will be capitalised as a project cost.

17 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						
General purposes	13,171	421	-	(480)	795	13,907
External purposes	1,480	47	-	(45)	89	1,571
Bursaries	772	115	-	(21)	47	913
Scholarships	3,906	141	-	(79)	236	4,204
Fellowships	10,282	333	-	(375)	585	10,825
Endowment Funds - Expendable						
General purposes	3,166	120	-	(113)	226	3,399
Bursaries	881	52	-	(32)	53	954
Scholarships	523	20	-	(12)	32	563
Fellowships	2,485	135	-	(97)	150	2,673
Other specified purposes	242	20	-	(9)	15	268
Total Endowment Funds - College	36,908	1,404	-	(1,263)	2,228	39,277
Endowment funds held by subsidiaries	-	-	-	-	-	-
Total Endowment Funds - Group	36,908	1,404	-	(1,263)	2,228	39,277
Restricted Funds						
Fixed asset projects funding	225	921	-	(936)	-	210
Development office funding	-	-	-	-	-	-
Other restricted income funding	49	501	(359)	-	-	191
Applied total return from restricted purpose endowment funds	-	-	(670)	670	-	-
	-	-	-	-	-	-
Total Restricted Funds - College	274	1,422	(1,029)	(266)	-	401
Restricted funds held by subsidiaries	-	-	-	-	-	-
Total Restricted Funds - Group	274	1,422	(1,029)	(266)	-	401
Unrestricted Funds						
General funds	312	3,322	(8,622)	1,304	832	(2,852)
Fixed asset designated fund	27,132	288	-	1,243	-	28,663
Revaluation reserve	27,108	-	-	-	-	27,108
Pension reserve	(1,236)	-	65	-	-	(1,171)
Total Unrestricted Funds - College	53,316	3,610	(8,557)	2,547	832	51,748
Unrestricted funds held by subsidiaries	64	5,299	(4,272)	(1,018)	-	73
Total Unrestricted Funds - Group	53,380	8,909	(12,829)	1,529	832	51,821
Total Funds	90,562	11,735	(13,858)	-	3,060	91,499

18 FUNDS OF THE COLLEGE DETAILS

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

Endowment Funds - Permanent:

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

Endowment Funds - Expendable:

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

Restricted Funds:

Fixed asset projects funding	Gifts and donations that must be applied to specific fixed asset projects. The transfer these funds represents the capital expenditure in the year that relates to these funds
Development office funding	Gifts and donations that must be applied in support of the Development office expenditure relating to the Vision 2020 campaign
Other restricted income funding	Gifts and donations that must be applied in support of other specified College activities
Applied total return from restricted purpose endowment funds	Applied total return generated from restricted purpose permanent and expendable endowment funds and which must be applied for the specified 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
Revaluation reserve	Unrestricted Funds which are represented by the revaluation of heritage assets
Pension reserve	Unrestricted Funds which are represented by the College's pension fund liabilities

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

19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total £'000
2016				
Tangible fixed assets	28,663	-	-	28,663
Heritage assets	27,108	-	-	27,108
Other investments	9,398	-	39,282	48,680
Net current assets	17,823	401	(5)	18,219
Long term liabilities	(30,000)	-	-	(30,000)
Pension fund liability	(1,171)	-	-	(1,171)
	<u>51,821</u>	<u>401</u>	<u>39,277</u>	<u>91,499</u>
2015				
Tangible fixed assets	27,132	-	-	27,132
Heritage assets	27,108	-	-	27,108
Other investments	1,067	-	36,912	37,979
Net current assets	(691)	274	(4)	(421)
Pension fund liability	(1,236)	-	-	(1,236)
	<u>53,380</u>	<u>274</u>	<u>36,908</u>	<u>90,562</u>

20 TRUSTEES' REMUNERATION

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

Trustees of the college fall into the following categories:

Head of House

Professorial Fellow

Official Fellow

Fellow by Special Election

Research Fellow

No trustee receives any remuneration for acting as a trustee. However, those trustees who are also employees of the college receive salaries for their work as employees. The salaries of academic employees are paid on external academic and academic-related scales and often involve joint arrangements with the University of Oxford. The salaries of non-academic employees are paid on the College's own scale.

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

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 pp 2-3 of the section, Governing Body, Officers and Advisers.

Remuneration paid to trustees

Range	2016		2015	
	Number of Trustees/ Fellows	Gross remuneration, taxable benefits and pension contributions	Number of Trustees/ Fellows	Gross remuneration, taxable benefits and pension contributions
		£		£
£1 - £1,000	1	847	2	1,735
£1,001 - £2,000	1	1,411	3	4,596
£3,001 - £4,000	0	0	1	3,585
£9,001 - £10,000	0	0	1	9,682
£11,001 - £12,000	1	11,800	2	23,509
£12,001 - £13,000	2	25,444	1	12,321
£14,001 - £15,000	0	0	1	14,940
£15,001 - £16,000	1	15,720	1	15,281
£17,001 - £18,000	1	17,844	0	0
£18,001 - £19,000	2	37,729	0	0
£20,001 - £21,000	1	20,261	1	20,439
£21,001 - £22,000	0	0	7	150,655
£22,001 - £23,000	12	268,600	5	111,802
£23,001 - £24,000	1	23,623	1	23,070
£24,001 - £25,000	1	24,187	0	0
£25,001 - £26,000	1	25,311	1	25,469
£26,001 - £27,000	1	26,701	0	0
£35,001 - £36,000	0	0	1	35,553
£36,001 - £37,000	0	0	2	73,171
£38,001 - £39,000	0	0	1	38,718
£39,001 - £40,000	1	39,304	0	0
£43,001 - £44,000	1	43,833	1	43,437
£45,001 - £46,000	1	45,254	1	45,113
£46,001 - £47,000	1	46,241	0	0
£49,001 - £50,000	0	0	1	49,585
£50,001 - £51,000	1	50,944	0	0
£52,001 - £53,000	0	0	2	105,800
£53,001 - £54,000	0	0	2	107,478
£54,001 - £55,000	3	162,997	0	0
£55,001 - £56,000	1	55,133	0	0
£80,001 - £81,000	0	0	1	80,520
£82,001 - £83,000	1	82,663	0	0
£85,001 - £86,000	0	0	1	85,506
£88,001 - £89,000	1	88,107	0	0
£100,001 - £101,000	0	0	1	100,454
£101,001 - £102,000	0	0	1	101,636
£104,001 - £105,000	1	104,477	0	0
£111,001 - £112,000	1	111,554	0	0
Total	39	1,329,985	42	1,284,057

Thirteen 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

No trustee claimed expenses for any work performed in discharge of duties as a trustee.
See also note 26 Related Party Transactions

Key management remuneration

The total remuneration paid to key management was £387k (2015: £368k).
Key management are considered to be the Warden, the Bursar, the Senior Tutor and the Development Director.

21 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 £313k (2015 - £508k) in relation to the USS. This represents contributions of £318k payable to the USS as adjusted by the change in the deficit funding liability between the opening and closing balance sheet dates of -£5k.

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 £541k has been made at 31 July 2016 (2015 - £536k) 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 £184k (2015 - £322k) in relation to the OSPS. This represents contributions of £244k payable to the OSPS as adjusted by the change in the deficit funding liability between the opening and closing balance sheet dates of -£60k.

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%.

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

A provision of £635k has been made at 31 July 2016 (2015 - £695k) 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/>.

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
	£000's	£000's
Universities Superannuation Scheme	313	508
University of Oxford Staff Pension Scheme	184	322
Other schemes – contributions	11	10
Total	508	840

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

22 TAXATION

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

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

	2016 Group £'000	2015 Group £'000
Net income/(expenditure)	937	4,181
Elimination of non-operating cash flows:		
Investment income	(1,339)	(1,076)
(Gains)/losses in investments	(3,060)	(3,102)
Endowment donations	(224)	(979)
Financing costs	662	6
Depreciation	1,326	1,316
Fixed asset impairment	2,461	-
Decrease/(Increase) in stock	9	(10)
Decrease/(Increase) in debtors	301	(396)
(Decrease)/Increase in creditors	793	51
(Decrease)/Increase in provisions	-	-
(Decrease)/Increase in pension scheme liability	(65)	293
Net cash provided by (used in) operating activities	1,801	284

24 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £'000	2015 £'000
Cash at bank and in hand	19,791	48
Notice deposits (less than 3 months)	-	-
Bank overdrafts	-	-
Total cash and cash equivalents	19,791	48

FINANCIAL COMMITMENTS

At 31 July the College had 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	-	-
	<u>-</u>	<u>-</u>
Other		
expiring within one year	-	-
expiring between two and five years	-	-
expiring in over five years	-	-
	<u>-</u>	<u>-</u>

25 CAPITAL COMMITMENTS

The College had contracted commitments at 31 July for future capital projects totalling £56,940k (2015 - £0k).

26 RELATED PARTY TRANSACTIONS

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

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

The number of loans outstanding at 31 July with the balances in the following bands were as follows:

	2016	2015
	£'000	£'000
Dr L Bendall	262	225
Dr S Butt	262	223
Prof S Faulkner	234	216
Dr D McDermott	241	220
Dr B Smith	271	212
Ms J S Tudge	234	218
	<u>1,505</u>	<u>1,314</u>

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

27 CONTINGENT LIABILITIES

There are no contingent liabilities that require disclosure.

28 POST BALANCE SHEET EVENTS

There are no post balance sheet events that require disclosure.

29 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 Income/(Expenditure) as previously stated	56	274	4,144	4,474
Increase in pension deficit liability	(293)	-	-	(293)
Net Income/(Expenditure) as previously restated	-237	274	4,144	4,181
	As at 1 August 2014 £'000	As at 31 July 2015 £'000		
Net Funds (as previously stated)	60,216	64,690		
Unrestricted				
Recognition of pension deficit	(943)	(1,236)		
Heritage assets	27,108	27,108		
Total unrestricted	26,165	25,872		
Net Funds (as restated)	86,381	90,562		

The most significant changes are 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, and the inclusion of heritage

The College has decided to take advantage of transitional provisions within FRS 102 to elect to measure the fair value of certain items of heritage assets and for that fair value to be used as the deemed cost of the item going forward from the date of transition (1 August 2014).

