

Keble College

Annual Report and Financial Statements

Year ended 31 July 2017

KEBLE COLLEGE
Annual Report and Financial Statements
Contents

	Pages
Governing Body, Officers and Advisers	2-3
Report of the Governing Body	4-13
Auditor's Report	14-15
Statement of Accounting Policies	16-19
Consolidated Statement of Financial Activities	20
Consolidated and College Balance Sheets	21
Consolidated Statement of Cash Flows	22
Notes to the Financial Statements	23 – 40

KEBLE COLLEGE

Governing Body, Officers and Advisers

Year ended 31 July 2015

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 2016-17 year or subsequently, and the membership of the five principal committees, are detailed below. In addition the Governing Body, the Finance Committee and the Academic Committee have non-voting student representatives.

		(1)	(2)	(3)	(4)	(5)
Sir Jonathan Phillips	Warden	•	•	•	•	
Mr RJ Boden	Bursar	•	•		•	
Dr AP Rogers	Senior Tutor			•		
Ms J Tudge	Director of Development				•	
Prof HL Anderson	Professorial Fellow					
Dr S Apetrei	Fixed Term Fellow in Theology					
Dr IW Archer	Fellow & Tutor in Modern History			•	•	
Dr LM Bendall	Fellow & Tutor in Archaeology and Anthropology					
Dr M Bevis	Fellow & Tutor in English			•		
Prof M Bockmuehl	Professorial Fellow	•				
Dr S Butt	Fellow & Tutor in Neurophysiology			•		
Prof SA Cameron	Fellow & Tutor in Computer Science	•	•			
Prof F Caron	Fellow & Tutor in Statistics					
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					
Prof S Faulkner	Fellow & Tutor in Inorganic Chemistry					
Prof S Fletcher	Fellow & Tutor in Chemistry			•		
Prof N Gardini	Fellow & Tutor in Italian					
Prof C Gosden	Professorial Fellow					
Dr J Goudkamp	Fellow & Tutor in Law			•		
Dr B Greenhough	Fellow & Tutor in Geography					
Dr U Gruneberg	Fellow & Tutor in Exp. Pathology			•		
Dr ERF Harcourt	Fellow & Tutor in Philosophy				•	
Dr MN Hawcroft	Fellow & Tutor in French					
Prof T Higham	Fellow by Special Election					
Prof T Irwin	Professorial Fellow					
Prof D Jaksch	Fellow & Tutor in Physics					
Prof TJ Jenkinson	Professorial Fellow		•			
Prof A Juhasz	Fellow & Tutor in Mathematics			•		
Prof SE Kearsey	Fellow & Tutor in Biology					
Prof V Mayer-Schonberger	Professorial Fellow				•	
Dr D McDermott	Fellow & Tutor in Politics					
Dr A-MS Misra	Fellow & Tutor in Modern History					
Prof P Newman	Professorial Fellow					
Prof S Payne	Fellow & Tutor in Engineering Science					
Prof WE Peel	Fellow & Tutor in Jurisprudence					
Ms A Ptak-Danchak	Fellow by Special Election			•		
Prof D Purkiss	Fellow & Tutor in English Language & Literature					

KEBLE COLLEGE

Governing Body, Officers and Advisers

Year ended 31 July 2015

Prof S Rayner	Professorial Fellow					
Prof G Reinert	Professorial Fellow					
Dr K Sheppard	Fellow & Tutor in Economics					
Dr H Smith	Fellow & Tutor in Economics	•				
Dr K Soonawalla	Fellow & Tutor in Management			•		
Prof 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					

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		•			
Mr J Church	External					•

COLLEGE SENIOR STAFF

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

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

AUDITOR

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

INVESTMENT MANAGER

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

COLLEGE ADDRESS

Keble College
Parks Road
Oxford
OX1 3PG

BANKERS

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

SOLICITORS

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

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 2017 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.

KEBLE COLLEGE

Report of the Governing Body

The management of the College

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

- *Finance Committee*
Oversees all matters of financial policy and practice, and in particular the financial implications of any proposals under consideration. Reviews and makes recommendations concerning annual statements of accounts for the preceding year, budgets and management accounts, College charges, trading activities, IT provision, salary policy and investment recommendations from the Investment Advisory Committee.
- *Investment Advisory Committee*
Provides advice to Governing Body, through Finance Committee, on the investments of the College and the appropriate level of income drawdown.
- *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 independent health and safety audit, and makes policy recommendations.

KEBLE COLLEGE

Report of the Governing Body

- *Data Security Committee*
Reviews data security policies and procedures and monitors their implementation.

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 425 undergraduate and 254 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:

KEBLE COLLEGE

Report of the Governing Body

- 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;
- 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 following is a summary of awards made to Home/EU undergraduates during the year:

KEBLE COLLEGE

Report of the Governing Body

Oxford Bursary (October 2013 starters): 15 awards out of a Home/EU population of 40: 5 awards at the maximum of £3,300: the average value of the awards was £2,424

Oxford Bursary (October 2014 starters): 15 awards out of a Home/EU population of 104: 4 awards at the maximum of £3,300: the average value of the awards was £2,639.

Oxford Bursary (October 2015 starters): 20 awards out of a Home/EU population of 115: 11 awards at the maximum of £4,500: the average value of the awards was £3,700.

Oxford Bursary (October 2016 starters): 24 awards out of a Home/EU population of 113: 14 awards at the maximum of £3,700: the average value of the awards was £2,796.

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 terms of academic performance, 2016-17 was a very good year. Of the 121 Keble undergraduates who sat Finals, forty-nine (41%) were awarded first class degrees. This was a record for the College in both absolute and relative terms. A further 61 were awarded Upper Second class degrees. No undergraduates failed their examinations. Two were awarded third classes and nine Lower Seconds. Oxford undergraduates, particularly those reading for degrees in sciences, now commonly sit examinations every year, although these are not always independently classified by degree. In the First Public Examinations, 31 of the 123 undergraduates sitting them were awarded Distinctions; six failed one or more of their papers, leading to re-sit examinations in September.

Academic excellence is encouraged by a programme of scholarships and examination prizes, including prizes for the best Distinction in each subject in the First Public Examination. In 2016-17 one hundred and one undergraduates were awarded scholarships.

A little over a third of the students at Keble are graduates, and roughly two-thirds of them are taking research degrees. In 2016-17 thirty Keble graduates completed their DPhils and, at the time of writing, 12 had been awarded Distinctions in their taught masters examinations. The College does not directly provide research support or teaching to graduates but does

KEBLE COLLEGE

Report of the Governing Body

support them through the provision of social, sporting and welfare facilities, in addition to research and travel grants. Each graduate also has an assigned college adviser who follows their academic progress and provides, where necessary and appropriate, advice and support.

Retention levels at Oxford University are generally high, and Keble is no exception. Two undergraduates withdrew in 2016-17 and a further four suspended their student status for the academic year. Three graduates withdrew and seven suspended, all but one of grounds of health.

Keble continues to receive a very high number of direct applications for undergraduate degrees, 922 in 2016-17. A total of 176 offers were made to these applicants, including 120 at Keble and 56 at other colleges. Oxford University's admissions system now allows for extensive re-allocation and exchange between colleges; twenty-two applicants to other colleges were made an offer at Keble. Over the past few years, around 45% of all applications and 60% of UK applications have been made by students from UK maintained schools. This year was no exception. Sixty-three offers were made to students from maintained schools and 59 to students from UK independent schools, a rate in line with the University as a whole. Twenty offers were made to applicants identified as access candidates in the UCAS system, i.e. from schools or areas with a limited tradition of successfully applying to the University. Sixteen offers were made to applicants who declared a disability, which is above average for the University. The central University statistical service did not provide figures for ethnicity in admissions this year.

In August the College's first Outreach and Career Development Fellow assumed office. This post-holder will take responsibility for increasing Keble's access and outreach activities, specifically in the College's target regions of Birmingham, Sandwell, Solihull, Warwickshire and Coventry. Adding to an active programme of school visits to the College, the new Fellow will work closely with schools, students, parents, and other organizations in the education sector to widen participation, increase access and, in line with the University's updated agreement with the Office of Fair Access, student attainment.

The College also supports Fellows' research activities by providing for sabbatical leave and supporting buyouts by external funders, for example UK and EU Research Councils. In 2016-17 there were fewer research visitors than usual because the College does not have appropriate accommodation. With the opening of the H B Allen Centre in October 2018 there will be significantly improved facilities and more substantial resources for research visitors. Keble also appointed 14 academics without a college attachment as Research Associates for terms of up to three years.

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 £6.59m, a £576k increase compared with the previous year. The increase is attributable to a £500k increase in charitable conference income (offset by a £233k decrease in non-charitable conference income) and to higher fee income from Visiting Students and Associate Members. The cost of undertaking these charitable activities amounted to £9.21m. Thus, the operating deficit from charitable activities was £2.62m. 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 £29.9m. The composition of this total was as follows:

	£000s
Income gifts	669
Gifts for capital projects	27,758
Endowment gifts	1,501
	<hr/> 29,928

Included in the gifts for capital projects was a capital grant of £25m from the H B Allen Trust for the construction of the H B Allen Centre.

Income from non-charitable conferences and other trading activities amounted to £1.95m against expenditure of £1.31m.

The College manages its endowment for total return and, until August 2015, had applied a spending rule that allowed a transfer of 3.15% of the average closing value of the endowments over the previous three years. For 2015-16, 2016-17 and 2017-18 the spending rule percentage for the majority of funds has been 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% for all funds. 2016-17 transfers under the spending rule amounted to £1.36m including £48k for external purposes

KEBLE COLLEGE

Report of the Governing Body

(the support of Keble parishes). Income gifts, conference surpluses and endowment transfers substantially cover the operating deficit on charitable activities and fund the College's fundraising and alumni relations activities.

Construction of the H B Allen Centre commenced in 2016 and has progressed well. Despite a three-week delay at the start of the project (caused by delay in obtaining formal approval for certain design elements) spending on the project is now ahead of the original project cash flow forecast. Draw-down of the contingency is broadly in line with expectations, so at present the project is broadly on time and within budget. The overall cost, including all fees, VAT and finance costs during construction, remains within the £70m ceiling. Of this sum £35m is being financed through a private placement, an additional £5m having been arranged, on the same terms as the original £30m, for drawdown in June 2018. The balance is funded by the capital grant from the H B Allen Trust and gifts from alumni of the College.

The H B Allen Centre is due to open in October 2018. It will provide 255 units of accommodation, mainly for graduate students, and 2,000m² of research and office space. Debt financing for the Centre has been structured on a project basis such that the cash flows from the completed development will fully cover both operating costs and debt service.

In addition to the H B Allen project the College continued its substantial programme of capital improvements, investing a further £1.6m in a range of projects including a further phase in the renewal of the Victorian rooms and corridors and various enabling works in preparation for the construction of a new main kitchen and servery.

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 £124m (2016: £91.5m). This includes endowment capital of 44.5m (2016: £39.3m) and unspent restricted income funds totalling £13.7m. General Funds at the year-end amounted to -£2.96m (2016: -£2.78m), representing retained unrestricted income reserves excluding designated funds in the amount of £42.7m, this being the book value of tangible fixed assets. Remaining expenditure on the H B Allen Centre project will be funded from a combination of restricted income funds and the proceeds of the £35m private placement.

The Governing Body has set a policy target for free reserves at the equivalent of three months' expenditure on charitable objects (currently £2.4m). However, whilst adopting the policy target, the Governing Body has also recognised that expenditure on certain capital improvements could be postponed in the event of a cash-flow problem. 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 thus contribute a similar amount to free reserves. 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.

KEBLE COLLEGE

Report of the Governing Body

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 2016-17 and further measures to be considered during 2017-18
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	University and Conference of Colleges appear to have abandoned any attempt to reform JRAM. Meanwhile undergraduate fee cap has been raised slightly and planning is proceeding for a substantial increase in graduate numbers for 2018-19.
H B Allen Centre programme or cost overruns	Finance plus Acland Project Steering Group	Two-stage fixed price contract, employment of professional project manager, monthly pattern of meetings to monitor progress and cost control.	Three weeks lost at start of main contract because of delay in obtaining Highways Agency consent for Woodstock Road piling design. Programme revised to minimise impact. Project now meeting revised timetable. Contingency drawdown in line with norms for this kind of project.
Water contamination	Health & Safety	Strict adherence to regulations. Liability insurance (£10mn limit any one occurrence)	Acland site now demolished. P1 and 2 works completed. P4 scheduled for Autumn 2019
Recreation and sports accidents	Health & Safety	Follow University policy and guidelines and take measures to raise awareness of risk	No change
Information and IT provision: Loss of key equipment	Finance	Data backed up to prevent loss of work	No change
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	New buy-out regulations were adopted. These allow for greater variation in academic duties while also mitigating the impact on colleagues.
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 before confirmation and re-election and appropriate reviews at other times; tuition records; College template on duties of tutorial fellows	The quality assurance requirements are kept under annual review through the Senior Tutors' Committee. New standards have been introduced for college examinations, plagiarism and academic briefings during induction. For 2017-18 there are proposals to improve arrangements for students on a year abroad, joint schools, and – arising from HER – undergraduate workload monitoring.
Recreation and sports: Excessive drinking and other behavioural problems	Domestic	College Regulations and related behavioural codes, decanal structure, professional bar staff	The Domestic Bursar and Grounds Manager have had a meeting with St Hugh's with whom we share our sportsground facilities. Protocols were checked and agreed upon. Communications within College between the domestic staff, porters and decanal staff remain good with no serious incidents reported.
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.	The Information Security Code of Conduct has been signed by all members of A&D Office staff. As we are regularly dealing with personal information we will be required to complete the ITC's online awareness module on an annual basis. Awaiting instruction from IT Manager. HR Manager investigating need for criminal records checks for those working with DARS.

KEBLE COLLEGE

Report of the Governing Body

Activity and risk (contd.)	Committee	Risk management measures adopted	Progress report for 2016-17 and further measures to be considered during 2017-18
Inadequate records and lack of fundraising and marketing permissions. Failure to comply with Fundraising Regulations / GDPR ¹ from May 2018 and updated PECR ² from May 2018.	Development	Constant updating of database, regular contact with Old Members	Increased impact rating to 4 and risk score to 8 in view of increased scrutiny from Fundraising Regulator. May 2017 - seeking joint legal advice from Senior Counsel as part of Conference of Colleges. Working closely with other colleges, the University and counterparts in Cambridge, to determine best practice in light of guidance and legal advice. DDoD sits on DARS Committee. DoD and Warden actively involved. Once position clear a revised strategy for fundraising, marketing and communications will be drafted together with a revised privacy policy. Appropriate changes will be made to systems for data collection, retention, handling and storage. All staff to be fully briefed and regularly updated. DoD and DDoD responsible.
Poor investment performance	Finance	Investment Advisory Committee meets at least once a year. Portfolio asset allocation reviewed, resulting in switch from OIECs to funds of hedge funds.	Another good performance from the Oxford Endowment Fund and a spectacular 'Brexit Dividend' from the Oxford Capital Fund, reducing the 2015-16 cost of carry of the £30m private placement to a negative figure.
Conferences: Poor service	Finance	Emphasis on importance of customer service	AV upgrade to the O'Reilly Theatre has protected our competitive position. Business remains good but continuous investment and innovation is needed. Plans in hand to renew the seating fabric in the O'Reilly. Enabling works continuing in advance of the main kitchen project.
Conferences: Recession and 'event' risk	Finance	Diversification of client base, more proprietary conferences.	New members of conference team are developing new sources of business, in particular through agents.
Conferences: Tax liability	Finance	Attendance at seminars. Consultation with legal and financial advisors	Main risk is H B Allen Centre, where we need to ensure rules relating to non-student use are not breached.
Theatre: Failure to follow safety procedures	Health & Safety	Theatre safety manual	Continuous review of procedures to ensure compliance Termly meetings of Bursar and AV Technician with MES Committee to monitor performance.
Pandemics	Health & Safety	Prepare and update pandemic plan	Remain alert
Data Protection failure	Information Security	Publicise rules	The Information Security Code of Conduct had been signed by all members. We shall identify the sub-group of Staff who are regularly dealing with personal information and they will be required to complete the ISTC's online awareness module on an annual basis. We are examining the changes introduced by the GDPR and will have a policy in place by the end of 2017.

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

KEBLE COLLEGE

Report of the Governing Body

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 £44.5m. The aggregate investment return for the year was 13.0%.

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

Almost all of the College's discretionary funds, apart from its private equity holdings and joint-equity interests in Fellows' housing, are 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

The College is mid-way through a major project to establish the H B Allen Centre at the Acland site. This will provide 255 units of accommodation for graduates 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 total cost of the project is £70m, financed half by philanthropic gifts and half by a 40 year private placement at a fixed rate of 3.366% p.a. The net cash flow from the Centre 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 2017-18 the College will undertake a further phase of its programme to upgrade the student rooms and corridors. 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 1st November 2017 and signed on its behalf by:

Sir Jonathan Phillips
Warden

KEBLE COLLEGE

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

Opinion

We have audited the financial statements of Keble College (the "Charity") for the year ended 31 July 2017 which comprise the Statement of Accounting Policies, the Consolidated Statement of Financial Activities, the Consolidated and College Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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

In our opinion, the financial statements:

- give a true and fair view of the state of the group and charity's affairs as at 31 July 2017 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

KEBLE COLLEGE

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

Matters on which we are required to report by exception

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

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

Responsibilities of the Members of the Governing Body

As explained more fully in the Statement of Accounting and Reporting Responsibilities [set out on page 13], the Members of the Governing Body are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/apb/scope/private.cfm. This description forms part of our auditor's report.

Critchleys Audit LLP
Statutory Auditor
Oxford

Date:

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

KEBLE COLLEGE

Statement of Accounting Policies

Year ended 31 July 2017

1. Scope of the financial statements

The financial statements present the Consolidated Statement of Financial Activities (SOFA), the Consolidated and College Balance Sheets and the Consolidated Statement of Cash Flows for the College and its wholly owned subsidiaries, Conference Keble Limited and Keble Properties Limited. No separate SOFA has been presented for the College alone, as currently permitted by the Charity Commission on a concessionary basis. A summary of the results and financial position of the charity and each of its material subsidiaries for the reporting year are in note 12.

2. Basis of accounting

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

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

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

3. Accounting judgements and estimation uncertainty

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

4. Income recognition

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

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

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

b. Income from donations, grants and legacies

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

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

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

c. Investment income

Interest on bank balances is accounted for on an accrual basis with interest recognised in the period to which the interest relates. Income from fixed interest debt securities is recognised using the effective interest rate method.

KEBLE COLLEGE
Statement of Accounting Policies
Year ended 31 July 2017

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

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

KEBLE COLLEGE
Statement of Accounting Policies
Year ended 31 July 2017

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

9. Heritage Assets

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

10. Investments

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

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

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

11. Other financial instruments

a. Cash and cash equivalents

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

b. Debtors and creditors

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

12. Stocks

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

13. Foreign currencies

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

14. Total Return investment accounting

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

KEBLE COLLEGE
Statement of Accounting Policies
Year ended 31 July 2017

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

15. Fund accounting

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

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

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

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

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

16. Pension costs

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

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

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

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2017 Total £'000	2016 Total £'000
INCOME AND ENDOWMENTS FROM:						
Charitable activities						
Teaching, research and residential	1	6,590	-	-	6,590	6,014
Other trading income	3	1,949	-	-	1,949	2,172
Donations and legacies	2	669	27,758	1,501	29,928	2,094
Investments						
Investment income	4	37	-	1,237	1,274	1,339
Total return allocated to income		642	722	(1,364)	-	-
Other income		112	-	-	112	116
Total income		9,999	28,480	1,374	39,853	11,735
EXPENDITURE ON:						
Charitable activities						
Teaching, research and residential	5	8,085	1,121	-	9,206	9,505
Generating funds						
Fundraising	5	674	8	-	682	639
Trading expenditure		1,301	-	-	1,301	1,253
Investment management costs		-	-	-	-	-
		1,975	8	-	1,983	1,892
Total expenditure		10,060	1,129	-	11,189	11,397
Net income/(expenditure) before gains		(61)	27,351	1,374	28,664	338
Net gains/(losses) on investments	11	134	-	3,888	4,022	3,060
Fixed asset impairment charge		-	-	-	-	(2,461)
Net income/(expenditure)		73	27,351	5,262	32,686	937
Transfers between funds	17	14,064	(14,064)	-	-	-
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		14,137	13,287	5,262	32,686	937
Fund balances brought forward	17	51,821	401	39,277	91,499	90,562
Funds carried forward at 31 July	17	65,958	13,688	44,539	124,185	91,499

Keble College
Consolidated and College Balance Sheets
For the year ended 31 July 2017

	Notes	2017 Group £'000	2016 Group £'000	2017 College £'000	2016 College £'000
FIXED ASSETS					
Tangible assets	9	42,696	28,663	42,696	28,663
Heritage assets	10	27,108	27,108	27,108	27,108
Other investments	11	58,390	48,680	58,390	48,680
Total fixed assets		128,194	104,451	128,194	104,451
CURRENT ASSETS					
Stocks		72	67	72	67
Debtors	14	1,528	1,173	685	652
Investments		-	-	-	-
Cash at bank and in hand		28,793	19,791	28,279	19,500
Total current assets		30,393	21,031	29,036	20,219
LIABILITIES					
Creditors: Amounts falling due within one year	15	3,513	2,812	2,229	2,074
NET CURRENT ASSETS/(LIABILITIES)		26,880	18,219	26,807	18,145
TOTAL ASSETS LESS CURRENT LIABILITIES		155,074	122,670	155,001	122,596
CREDITORS: falling due after more than one year	16	30,000	30,000	30,000	30,000
Provisions for liabilities and charges		-	-	-	-
NET ASSETS/(LIABILITIES) BEFORE PENSION ASSET OR LIABILITY		125,074	92,670	125,001	92,596
Defined benefit pension scheme liability		889	1,171	889	1,171
TOTAL NET ASSETS/(LIABILITIES)		124,185	91,499	124,112	91,425
FUNDS OF THE COLLEGE					
	17				
Endowment funds		44,539	39,277	44,539	39,277
Restricted funds		13,688	401	13,688	401
Unrestricted funds					
Designated funds		42,696	28,663	42,696	28,663
General funds		(2,957)	(2,779)	(3,030)	(2,853)
Revaluation reserve		27,108	27,108	27,108	27,108
Pension reserve		(889)	(1,171)	(889)	(1,171)
		124,185	91,499	124,112	91,425

The financial statements were approved and authorised for issue by the Governing Body of Keble College on 1st November 2017

Sir Jonathan Phillips
Warden

R J Boden
Bursar

Keble College
Consolidated Cash Flow Statement
For the year ended 31 July 2017

	Notes	2017 Group £'000	2016 Group £'000
Net cash provided by (used in) operating activities	23	25,608	1,801
Cash flows from investing activities			
Dividends, interest and rents from investments		1,274	1,339
Proceeds from the sale of property, plant and equipment		-	-
Purchase of property, plant and equipment		(15,654)	(5,318)
Proceeds from sales of investments		1,364	312
Purchase of investments		(5,047)	(7,953)
Net cash provided by (used in) investing activities		(18,063)	(11,620)
Cash flows from financing activities			
Repayments of borrowing		-	-
Cash inflows from new borrowing		-	30,000
Receipt of endowment		1,501	224
Finance costs paid		(44)	(662)
Net cash provided by (used in) financing activities		1,457	29,562
Change in cash and cash equivalents in the reporting period		9,002	19,743
Cash and cash equivalents at the beginning of the reporting period	24	19,791	48
Change in cash and cash equivalents due to exchange rate movements		-	-
Cash and cash equivalents at the end of the reporting period	24	28,793	19,791

1 INCOME FROM CHARITABLE ACTIVITIES

	2017 £'000	2016 £'000
Teaching, research and residential		
<i>Unrestricted funds</i>		
Tuition fees - UK and EU students	1,816	1,885
Tuition fees - Overseas students	806	785
Other fees	353	256
Other HEFCE support	206	114
Other academic income	149	154
College residential income	3,260	2,820
	6,590	6,014

The above analysis includes £1,977k received from the University of Oxford from publicly accountable funds under the College Funding Formula (2016: £1,986k).

2 DONATIONS AND LEGACIES

	2017 £'000	2016 £'000
<i>Unrestricted funds</i>	669	448
<i>Restricted funds</i>	27,758	1,422
<i>Endowed funds</i>	1,501	224
	29,928	2,094

3 INCOME FROM OTHER TRADING ACTIVITIES

	2017 £'000	2016 £'000
<i>Unrestricted funds</i>		
Subsidiary company trading income	1,949	2,172
Other trading income	-	-
	1,949	2,172

4 INVESTMENT INCOME

	2017 £'000	2016 £'000
<i>Unrestricted funds</i>		
Bank interest	37	159
Other interest	-	-
	37	159
<i>Endowed funds</i>		
Investment income	1,237	1,180
	1,237	1,180
Total investment income	1,274	1,339

5 ANALYSIS OF EXPENDITURE

	2017 £'000	2016 £'000
Charitable expenditure - Teaching, research and residential		
Direct staff costs	4,118	3,987
Other direct costs	3,320	2,773
Support and governance costs	1,768	2,745
Total charitable expenditure	9,206	9,505
Expenditure on raising funds		
Direct staff costs allocated to:		
Fundraising	415	375
Trading expenditure	629	643
Investment management costs	-	-
Other direct costs allocated to:		
Fundraising	224	206
Trading expenditure	623	553
Investment management costs	-	-
Support and governance costs allocated to:		
Fundraising	43	58
Trading expenditure	49	57
Investment management costs	-	-
Total expenditure on raising funds	1,983	1,892
Total expenditure	11,189	11,397

The 2016 total expenditure of £11,397k represented £10,368k from unrestricted funds, £1,029k from restricted funds and £0k from endowed funds.

The College is liable to be assessed for Contribution under the provisions of Statute XV of the University of Oxford. The Contribution Fund is used to make grants and loans to colleges on the basis of need. Contribution is calculated annually in accordance with regulations made by the Council of the University of Oxford. The teaching, research and residential costs include College Contribution payable of £1k (2016: £-9k).

6 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

	Generating Funds	Teaching, Research & Residential	Total
	£'000	£'000	£'000
2017			
Financial administration	54	323	377
Domestic administration	4	155	159
Human resources	2	47	49
IT	32	165	197
Depreciation	-	1,333	1,333
Fixed asset impairment	-	-	-
Bank interest payable	-	6	6
Other finance charges	-	38	38
Governance costs	-	21	21
	92	2,088	2,180
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

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

	2017	2016
	£'000	£'000
Governance costs comprise:		
Auditor's remuneration - audit services	21	20
Auditor's remuneration - assurance services other than audit	-	-
Auditor's remuneration - tax advisory services	-	-
Auditor's remuneration - other services	-	-
Legal and other fees on constitutional matters	-	-
Other governance costs	-	-
	21	20

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

7 GRANTS AND AWARDS

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

2017 2016
£'000 £'000

Unrestricted funds

Grants to individuals:

Scholarships, prizes and grants

126 83

Bursaries and hardship awards

29 55

Graduate studentships

- -

Grants to other institutions

- -

155 **138**

Restricted funds

Grants to individuals:

Scholarships, prizes and grants

242 225

Bursaries and hardship awards

89 66

Graduate studentships

- -

Grants to other institutions

48 45

379 **336**

Total grants and awards

534 **474**

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

The aggregate staff costs for the year were as follows.

2017 2016
£'000 £'000

Salaries and wages

4,795 4,714

Social security costs

358 306

Pension costs:

Defined benefit schemes - employer's contributions

603 562

Defined benefit schemes - movement in provision

(320) (105)

Defined contribution schemes

11 14

Other benefits

- -

5,447 **5,491**

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

2017 2016

Tuition and research

6 7

College residential

57 63

Fundraising

7 5

Support

17 18

Total

87 **93**

8 STAFF COSTS (continued)

The average number of employed College Trustees during the year was as follows.	2017	2016
University Lecturers	23	22
CUF Lecturers	7	7
Other teaching and research	0	0
Other	7	10
Total	37	39

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

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

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

£70,001 - £80,001	2017	2016
	1	1

The number of the above employees with retirement benefits accruing was as follows:	2017	2016
In defined benefits schemes	1	1
In defined contribution schemes	-	-

The College contributions to defined contribution pension schemes totalled

2017	2016
£'000	£'000
14	14

9 TANGIBLE FIXED ASSETS

Group and College	Freehold land and buildings £'000	Plant and Machinery £'000	Total £'000
Cost			
At start of year	37,731	3,467	41,198
Additions	15,312	54	15,366
Disposals	-	-	-
At end of year	53,043	3,521	56,564
Depreciation			
At start of year	10,601	1,934	12,535
Charge for the year	1,004	329	1,333
On disposals	-	-	-
At end of year	11,605	2,263	13,868
Net book value			
At end of year	41,438	1,258	42,696
At start of year	27,130	1,533	28,663

9 TANGIBLE FIXED ASSETS (continued)

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

Group and college	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

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

11 OTHER INVESTMENTS

All investments are held at fair value.

	2017 £'000	2016 £'000
Group investments		
Valuation at start of year	48,680	37,979
New money invested	5,526	7,724
Amounts withdrawn	(1,364)	(1,263)
Reinvested income	1,238	1,180
Investment management fees	-	-
(Decrease)/increase in value of investments	4,310	3,060
Group investments at end of year	58,390	48,680
Investment in subsidiaries	-	-
College investments at end of year	58,390	48,680

11 OTHER INVESTMENTS (continued)

The increase in the value of investments includes £288k arising from the temporary investment of the proceeds of the long-term fixed rate note issue pending their employment in the funding of the H B Allen Centre development (see Note 16). In accordance with FRS 102 the net cost of carry of that debt during the construction period is being capitalised and will be depreciated over the life of the asset. The £288k is thus being netted off and therefore is not included in the Statement of Financial Activities.

Group investments comprise:	Held outside the UK £'000	Held in the UK £'000	2017 Total £'000	Held outside the UK £'000	Held in the UK £'000	2016 Total £'000
Equity investments	-	1	1	-	1,074	1,074
Global multi-asset funds	-	41,012	41,012	-	32,420	32,420
Property funds	-	1,461	1,461	-	1,505	1,505
Fixed interest stocks	-	-	-	-	-	-
Alternative and other investments	1,669	14,247	15,916	1,826	9,621	11,447
Fixed term deposits and cash	-	-	-	-	2,234	2,234
Total group investments	1,669	56,721	58,390	1,826	46,854	48,680

12 PARENT AND SUBSIDIARY UNDERTAKINGS

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

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

	Keble College (parent) £'000	Keble Properties £'000	Conference Keble £'000
Turnover	37,828	12,908	1,988
Expenditure	(9,954)	(12,657)	(1,235)
Donation to College under gift aid	-	(251)	(753)
Interest receivable	37	-	-
Result for the year	27,911	-	-
Total assets	124,670	543	613
Total liabilities	(33,246)	(543)	(540)
Net funds at the end of year	91,424	-	73

13 STATEMENT OF INVESTMENT TOTAL RETURN

The Trustees have adopted a duly authorised policy of total return accounting for investment returns with effect from 2003. The return to be applied as income is calculated, depending on the nature of the fund, as 3.15% or 4.0% 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	20,388	-	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
Movements in the reporting period:					
Gift of endowment funds	1,342	-	1,342	159	1,501
Recoupment of trust for investment	-	-	-	-	-
Allocation from trust for investment	-	-	-	-	-
Investment return: dividends and interest	-	990	990	247	1,237
Investment return: realised and unrealised gains and losses	-	3,111	3,111	777	3,888
Less: Investment management costs	-	-	-	-	-
Other transfers	-	-	-	-	-
Total	1,342	4,101	5,443	1,183	6,626
Unapplied total return allocated to income	-	(1,082)	(1,082)	-	(1,082)
Expendable endowments transferred to income	-	-	-	(282)	(282)
	-	(1,082)	(1,082)	(282)	(1,364)
Net movements in reporting period	1,342	3,019	4,361	901	5,262
At end of the reporting period:					
Gift component of the permanent endowment	21,730	-	21,730	-	21,730
Unapplied total return	-	14,051	14,051	-	14,051
Expendable endowment	-	-	-	8,758	8,758
Total Endowments	21,730	14,051	35,781	8,758	44,539

14 DEBTORS

	2017 Group £'000	2016 Group £'000	2017 College £'000	2016 College £'000
Amounts falling due within one year:				
Trade debtors	536	494	167	182
Amounts owed by College members	66	68	66	68
Amounts owed by Group undertakings	-	-	-	-
Loans repayable within one year	9	11	9	11
Prepayments and accrued income	364	400	406	366
Other debtors	553	200	37	25
Amounts falling due after more than one year:				
Loans	-	-	-	-
	1,528	1,173	685	652

15 CREDITORS: falling due within one year

	2017	2016	2017	2016
	Group	Group	College	College
	£'000	£'000	£'000	£'000
Trade creditors	1,186	1,467	737	984
Amounts owed to Group undertakings	-	-	828	345
Taxation and social security	76	118	76	118
College contribution	-	-	-	-
Accruals and deferred income	2,044	1,000	381	400
Other creditors	207	227	207	227
	3,513	2,812	2,229	2,074

16 CREDITORS: falling due after more than one year

	2017	2016	2017	2016
	Group	Group	College	College
	£'000	£'000	£'000	£'000
Private placement	30,000	30,000	30,000	30,000
	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 are being 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 2016. 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. On 8th December 2016 the College committed to issue a further £5m tranche of loan notes on the same terms as the original £30m issue, with drawdown deferred to June 2018.

17 FUNDS OF THE COLLEGE MOVEMENTS

	At 1 August 2016 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2017 £'000
Endowment Funds - Permanent						
General purposes	13,907	438	-	(514)	1,377	15,208
External purposes	1,571	50	-	(48)	156	1,729
Bursaries	913	344	-	(22)	90	1,325
Scholarships	4,204	1,050	-	(94)	416	5,576
Fellowships	10,825	356	-	(400)	1,072	11,853
Music	-	94	-	(4)	-	90
Endowment Funds - Expendable						
General purposes	3,399	106	-	(124)	335	3,716
Bursaries	954	79	-	(35)	95	1,093
Scholarships	563	20	-	(15)	56	624
Fellowships	2,673	84	-	(99)	265	2,923
Other specified purposes	268	117	-	(9)	26	402
Total Endowment Funds	39,277	2,738	-	(1,364)	3,888	44,539
Restricted Funds						
Fixed asset projects funding	210	27,237	-	(14,064)	-	13,383
Development office funding	-	-	-	-	-	-
Other restricted income funding	191	521	(407)	-	-	305
Applied total return from restricted purpose endowment funds	-	-	(722)	722	-	-
Total Restricted Funds	401	27,758	(1,129)	(13,342)	-	13,688
Unrestricted Funds						
General	(2,852)	8,842	(10,342)	1,188	134	(3,030)
Fixed asset designated fund	28,663	515	-	13,518	-	42,696
Revaluation reserve	27,108	-	-	-	-	27,108
Pension reserve	(1,171)	-	282	-	-	(889)
Total Unrestricted Funds - College	51,748	9,357	(10,060)	14,706	134	65,885
Unrestricted funds held by subsidiaries	73	-	-	-	-	73
Total Unrestricted Funds - Group	51,821	9,357	(10,060)	14,706	134	65,958
Total Funds	91,499	39,853	(11,189)	-	4,022	124,185

18 FUNDS OF THE COLLEGE DETAILS

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

Endowment Funds - Permanent:

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

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 from 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 purpose.

Designated Funds

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

The General Unrestricted Funds represent 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	2017 Total £'000
2017				
Tangible fixed assets	42,696	-	-	42,696
Heritage assets	27,108	-	-	27,108
Other investments	13,851	-	44,539	58,390
Net current assets/(liabilities)	13,192	13,688	-	26,880
Long term liabilities	(30,000)	-	-	(30,000)
Pension fund liability	(889)	-	-	(889)
	65,958	13,688	44,539	124,185
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/(liabilities)	17,823	401	(5)	18,219
Long term liabilities	(30,000)	-	-	(30,000)
Pension fund liability	(1,171)	-	-	(1,171)
	51,821	401	39,277	91,499

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 accommodation owned by the college and, in consequence, do not receive the Housing Allowance.

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

19 TRUSTEES' REMUNERATION (continued)

Remuneration paid to trustees

Range	2017		2016	
	Number of trustees	Gross remuneration, taxable benefits and pension contributions £	Number of trustees	Gross remuneration, taxable benefits and pension contributions £
£1 - £999	1	856	1	847
£1,000 - £1,999	1	1,711	1	1,411
£2,000 - £2,999	1	2,793	0	0
£6,000 - £6,999	1	6,569	0	0
£11,000 - £11,999	2	23,077	1	11,800
£12,000 - £12,999	1	12,301	2	25,444
£15,000 - £15,999	0	0	1	15,720
£17,000 - £17,999	0	0	1	17,844
£18,000 - £18,999	1	18,937	2	37,729
£19,000 - £19,999	1	19,594	0	0
£20,000 - £20,999	0	0	1	20,261
£22,000 - £22,999	8	179,467	12	268,600
£23,000 - £23,999	8	184,950	1	23,623
£24,000 - £24,999	2	48,771	1	24,187
£25,000 - £25,999	0	0	1	25,311
£26,000 - £26,999	1	26,971	1	26,701
£30,000 - £30,999	1	30,975	0	0
£39,000 - £39,999	0	0	1	39,304
£43,000 - £43,999	0	0	1	43,833
£45,000 - £45,999	3	166,205	1	45,254
£46,000 - £46,999	0	0	1	46,241
£50,000 - £50,999	0	0	1	50,944
£52,000 - £52,999	1	52,379	0	0
£54,000 - £54,999	3	164,582	3	162,997
£55,000 - £55,999	1	55,717	1	55,133
£82,000 - £82,999	0	0	1	82,663
£83,000 - £83,999	1	83,549	0	0
£88,000 - £88,999	1	88,984	1	88,107
£104,000 - £104,999	0	0	1	104,477
£110,000 - £110,999	1	110,584	0	0
£111,000 - £111,999	0	0	1	111,554
£114,000 - £114,999	1	114,544	0	0
Total	41	1,393,515	39	1,329,986

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

Other transactions with trustees

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

Note 27 provides further information on related party transactions.

Key management remuneration

The total remuneration paid to key management was £398k (2016: £387k).

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

21 PENSION SCHEMES

The College participates in two principal pension schemes for its staff - the Universities Superannuation Scheme (USS) and the University of Oxford Staff Pension Scheme (OSPS). The schemes are contributory defined benefit schemes (i.e. they provide benefits based on length of service and pensionable salary) and until April 2016 were contracted out from the State Second Pension Scheme. The assets of USS and OSPS are each held in separate trustee-administered funds. The 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, in accordance with the accounting standard FRS 102 paragraph 28.11, the College accounts for the schemes as if they were defined contribution schemes. As a result, the amount charged to the Statement of Comprehensive Income represents the contributions payable to the schemes in respect of the accounting period.

Both schemes are in deficit. The College has recognised a provision for its commitments under the agreed deficit reduction plans for each scheme. In calculating these provisions the College has estimated that salary expense will increase at 2.0 - 3.5% p.a. and the liability is discounted at a 15 year corporate bond rate of 1.55% (2016: 1.4%). A sensitivity analysis to changes in salary and discount rate changes is shown towards the end of this note.

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

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

Actuarial valuations

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

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

21 PENSION SCHEMES (continued)

- a. 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 were 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 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 are 8% of salary; a defined contribution benefit for salary above the salary threshold at the total level of 20% 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 matched by the employer. 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 was £10.0 bn (83% funded). The valuation as at 31 March 2017 is underway.
- b. OSPS' actuarial valuation as at 31 March 2016 identified a required long-term employer contribution rate of 17.3% of total pensionable salaries, with a funding deficit of £133 m. The valuation results reflect a number of changes to benefits that were agreed following an Employers' consultation in early 2017, including from 1 April 2017 a change in indexation based on the average of RPI and CPI, from 1 October 2017 a defined contribution section for new entrants and from 1 April 2018 breaking the final salary link for certain members and increased employee contributions. The actuary has certified that the recovery plan should eliminate the deficit by 30 June 2027. The next triennial valuation is due with an effective date of 31 March 2019.
- c. USS' actuary has assumed that the investment return is 5.2% in year 1, decreasing linearly to 4.7% over 20 years.
- d. 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.
- e. As noted above (note a) the USS employer contribution rate is 18% of salaries from 1 April 2016. Prior to that date it was 16% of salaries. The total employer contributions include provisions for the cost of future accrual of defined benefits (DB) (net of member contributions to the DB section), deficit contributions, administrative expenses of 0.4% of salaries and from the implementation of the salary threshold the employer contribution towards defined contribution benefits including employer matching contributions and certain investment management costs relating to the DC section.
- f. As noted above (note b), the OSPS employer contribution rate required for future service benefits in the defined benefit section alone is 17.3% of total pensionable salaries from 1 April 2018. The employer contribution rate was 23% from 1 August 2016 to 31 July 2017. It was agreed that employer contribution rate would be 19% for both defined benefits members and defined contributions members who join on or after 1 October 2017. Part of contribution for defined contribution members would be paid to the defined benefit section to cover the deficit recovery plan, the provision of ill-health and death-in service benefits and the expenses of administering the defined contribution section.

21 PENSION SCHEMES (continued)

Sensitivity of actuarial valuation assumptions

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

USS

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

OSPS

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

Pension charge for the year

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

Scheme	2017	2016
	£000's	£000's
Universities Superannuation Scheme	349	313
University of Oxford Staff Pension Scheme	251	184
Other schemes – contributions	11	11
Supplementation payments	3	0
Total	614	508

Included in other creditors and accruals are pension contributions payable of £nil.

22 TAXATION

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

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

	2017 £'000	2016 £'000
Net income/(expenditure)	32,686	937
Elimination of non-operating cash flows:		
Investment income	(1,274)	(1,339)
(Gains)/losses in investments	(4,022)	(3,060)
Endowment donations	(1,501)	(224)
Donations in kind (shares)	(1,717)	-
Financing costs	44	662
Depreciation	1,333	1,326
Fixed asset impairment	-	2,461
Decrease/(Increase) in stock	(5)	9
Decrease/(Increase) in debtors	(355)	301
(Decrease)/Increase in creditors	701	793
(Decrease)/Increase in provisions	-	-
(Decrease)/Increase in pension scheme liability	(282)	(65)
Net cash provided by (used in) operating activities	25,608	1,801

24 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £'000	2016 £'000
Cash at bank and in hand	28,793	19,791
Notice deposits (less than 3 months)	-	-
Bank overdrafts	-	-
Total cash and cash equivalents	28,793	19,791

25 FINANCIAL COMMITMENTS

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

	2017 £'000	2016 £'000
Land and buildings		
- not later than one year	218	0
- later than one year and not later than five years	91	0
- Later than five years	0	0
	309	0

26 CAPITAL COMMITMENTS

The College had contracted commitments at 31 July for future capital projects totalling £48,361k (2016: £56,940k).

27 RELATED PARTY TRANSACTIONS

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

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

The College has properties with the following net book values owned jointly with trustees under joint equity ownership agreements between the trustee and the College.

	2017	2016
Trustee	£'000	£'000
Dr L Bendall	268	262
Dr S Butt	267	262
Prof S Faulkner	239	234
Dr D McDermott	246	241
Prof S Fletcher	202	0
Dr B Smith	0	271
Ms J S Tudge	239	234
	<u>1,461</u>	<u>1,504</u>

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

28 CONTINGENT LIABILITIES

There are no contingent liabilities that require disclosure.

29 POST BALANCE SHEET EVENTS

There are no post balance sheet events that require disclosure.