

# CORPUS CHRISTI COLLEGE

## **Financial Reports**

2008-2009

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**2008-2009**

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## **CORPUS CHRISTI COLLEGE**

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

The Governing Body of Corpus Christi College presents the annual report and financial statements for the year ended 31 July 2009.

#### **Status**

Corpus Christi College is a chartered charitable corporation aggregate. The corporation comprises the President and Fellows. The College is an exempt charity under s3(5a) Charities Act 1993 (as listed in Schedule 2(b) to that Act). The College is in the process of registering with the Charity Commission, confirmation has been received that the tax status is not affected.

#### **Objects**

The College exists to provide and promote undergraduate and graduate education within the University of Oxford, and also to provide and promote university academic research. Within these Objects, the College also has various permanently endowed trust funds held for special purposes in connection with other educational purposes.

#### **Governance**

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

#### **Review of operations and finance**

Total income for the year amounted to £5.5m, £1.4m of this being received from academic fees and tuition, £1.7m from accommodation and catering charges, and £2.4m coming from endowment and investment returns. Expenditure for the year amounted to £5.8m. As a result of extensive re roofing works to a number of the College's historic buildings there was a net deficit of £340k. This amount has been transferred from the designated reserve for the maintenance of College buildings.

#### **Investment policy**

The College operates an investment policy that provides adequate levels of income whilst preserving capital. The portfolio is spread over most asset categories and is low to medium risk. Regular review is taken of the performance of fund managers. The College operates a total return policy on general endowment investments.

#### **Reserves**

Due to the construction during the year of the new auditorium an amount of £2.25m, which had been earmarked for the project has been transferred from general endowment to reserves. The balance on reserves at the year end amounted to £6.8m (note 14). After allowing for the amounts invested in fixed assets and designated reserves for special purposes, the College's general reserve was £1m. The Governing Body has reviewed the reserves of the College and has concluded that they are adequate at this time.

#### **Risk Management**

The major risks to which the College is exposed, as identified by the Governing Body, have been reviewed and systems have been established to mitigate these risks.

Approved by the Governing Body on 21st October 2009

Sir Tim Lankester  
President

## **CORPUS CHRISTI COLLEGE**

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

In accordance with the College's Statutes, the Governing Body is responsible for the administration and management of the College's affairs.

It is responsible for ensuring that there is an effective system of internal control and that accounting records are properly kept. It is required to present audited financial statements for each financial year, prepared in accordance with the Statutes of the University.

In preparing the financial statements, the Governing Body has ensured that:

- suitable accounting policies are selected and applied consistently;
- judgements and estimates are made that are reasonable and prudent;
- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- it is satisfied that it has adequate resources to continue in operation for the foreseeable future: accordingly the financial statements are prepared on a going concern basis.

The Governing Body has taken reasonable steps to:

- ensure that there are appropriate financial and management controls in place to safeguard the assets of the College and prevent and detect fraud;
- secure the economical, efficient and effective management of the College's resources and expenditure.

Any system of internal financial control, however, can only provide reasonable, not absolute, assurance against material misstatement or loss.

In so far as the Governing Body is aware:

- there is no relevant audit information of which the College's auditor is unaware; and
- the Governing Body have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Under the Charities Act 1993 the College is an exempt charity and the members of the Governing Body must ensure that the property and income of the College are applied only in support of purposes which are charitable in law.

# CORPUS CHRISTI COLLEGE

## Statement of Principal Accounting Policies

### Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of endowment asset investments, and in accordance with applicable accounting standards and according to the University of Oxford Statute XV to meet specific requirements imposed by University and College statutes.

These specific requirements reflect the provisions set out in the Statement of Recommended Practice ("SORP"): Accounting for Further and Higher Education issued in July 2003 but have not been updated for the introduction of the amended version of this SORP issued in July 2007. Due to the proposed future movement of the College financial statements to the Charities SORP, which is expected to be implemented in conjunction with the registration of the Oxford Colleges with the Charity Commission, the University of Oxford College Accounts Committee has concluded that there is no benefit in amending the specific requirements this year.

### Recognition of income

Fees and other income for services provided are credited to the income and expenditure account on a receivable basis. Income from specific endowments and other restricted income is included to the extent of the relevant expenditure incurred during the year. Income from general endowments (the use of which is not legally restricted to a specific purpose or activity) is calculated according to a sustainable spend rate (currently 4%) expressed as a percentage of appropriately averaged endowment values.

### General donations

General donations and benefactions are credited to income and expenditure account on a receivable basis, to the extent that they meet specific expenditure during the year, but where they are intended to fund future expenditure they are credited to general endowment, net of related fundraising expenditure.

### Pension costs

Contributions to the pension schemes provided for employees of the College are charged to the income and expenditure account over the period during which the College benefits from the employees' services.

### Tangible fixed assets

Tangible fixed assets are stated at cost and are depreciated on a straight line basis over the following periods:

Freehold buildings	50 years
Leasehold properties	50 years or period of lease if shorter
Building improvements	25 years (included within freehold buildings)
Equipment	5 years

Freehold land is not depreciated.

The cost of major renovation projects which increase the service potential of buildings is capitalised and depreciated over applicable periods.

Donations received to finance the acquisition of tangible fixed assets are treated as deferred capital and released to income on a straight line basis over the same period as the related asset is depreciated.

The College operates a "de minimis" limit of £20,000 for the capitalisation of expenditure on equipment. Works of art and other valuable artefacts that can be regarded as inalienable are not included in the financial statements.

### Investments

Endowment asset investments are included in the balance sheet at market value. Current asset investments are included at market value.

### Stocks

Stocks are stated at the lower of their cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stocks.

### Maintenance of premises

The cost of routine maintenance is charged to the income and expenditure account in the period it is incurred.

### Provisions

Provisions are recognised when the College has a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the obligation.

### Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Rental costs under operating leases are charged to expenditure in equal annual amounts over the periods of the leases.

## **CORPUS CHRISTI COLLEGE**

### **Statement of Principal Accounting Policies**

#### **Foreign currencies**

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at year-end rates of exchange or, where there are related forward foreign exchange contracts, at contract rates. The resultant exchange differences are included in the income and expenditure account for the year.

#### **Taxation status**

As an exempt charity within the meaning of Schedule 2 of the Charities Act 1993, the College is potentially exempt from taxation in respect of income or capital gains received within categories covered by Section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes. The College receives no similar exemption in respect of Value Added Tax. Trading activities undertaken by the College are liable to Corporation Tax.

#### **College Contribution Scheme**

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 Council.

**CORPUS CHRISTI COLLEGE**  
**Income and Expenditure Account**  
**Year ended 31 July 2009**

	Notes	2009 £'000	2008 £'000
<b>INCOME</b>			
Academic fees and tuition income	1	1,348	1,355
Other operating income	2	1,695	1,700
Endowment return and interest receivable	3	2,428	2,456
		<u>5,471</u>	<u>5,511</u>
<b>Total income</b>			
<b>EXPENDITURE</b>			
Staff costs	4	3,247	3,107
Depreciation		67	70
Other operating expenses		2,442	2,531
Contribution under Statute XV		55	59
		<u>5,811</u>	<u>5,767</u>
<b>Total expenditure</b>	6		
(Deficit) / Surplus for the year on continuing operations before taxation and disposal of fixed assets		(340)	(256)
Surplus / (Deficit) on disposal of fixed assets		0	0
Taxation	7	0	0
		<u>(340)</u>	<u>(256)</u>
<b>(Deficit) / Surplus for the year after taxation</b>	8		

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**Statement of total recognised gains and losses**  
**Year ended 31 July 2009**

	Notes	2009 £'000	2008 £'000
<b>Reserves</b>			
(Deficit) / Surplus for the year	14	(340)	(256)
<b>Endowments</b>			
Income receivable from endowment asset investments	13	2,181	2,243
Endowment return transferred to income and expenditure account	13	(2,331)	(2,335)
Appreciation of endowment asset investments	13	4,606	818
New endowments received	13	1,049	674
<b>Other</b>			
Net additions to (deductions from) deferred capital	17	600	584
		<u>5,765</u>	<u>1,728</u>
<b>Total recognised gains relating to the year</b>			
Opening fund balances		63,874	62,146
		<u>69,639</u>	<u>63,874</u>
Closing fund balances			

**CORPUS CHRISTI COLLEGE**  
**Balance Sheet**  
**As at 31 July 2009**

	Notes	2009 £'000	2008 £'000
<b>Fixed assets</b>			
Tangible assets	9	<u>4,998</u>	<u>2,286</u>
		<u>4,998</u>	<u>2,286</u>
<b>Endowment asset investments</b>			
Securities and cash deposits		42,060	35,878
Land and property		19,637	22,564
	10	<u>61,697</u>	<u>58,442</u>
<b>Current assets:</b>			
Stocks		100	85
Debtors	11	504	548
Cash at bank and in hand		<u>2,950</u>	<u>3,038</u>
		3,554	3,671
<b>Creditors:</b>			
Amounts falling due within one year	12	(610)	(525)
		<u>2,944</u>	<u>3,146</u>
<b>Net current assets</b>		<u>2,944</u>	<u>3,146</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		69,639	63,874
<b>Creditors:</b>			
Amounts falling due after more than one year		0	0
Provision for liabilities and charges		0	0
<b>TOTAL NET ASSETS</b>		<u>69,639</u>	<u>63,874</u>
<b>Deferred capital</b>	17	1,184	584
<b>Endowments</b>			
Specific		8,721	8,563
General		<u>52,976</u>	<u>49,879</u>
	13	<u>61,697</u>	<u>58,442</u>
<b>Reserves</b>			
Designated reserves	14	668	1,008
General reserves	14	<u>6,090</u>	<u>3,840</u>
		6,758	4,848
<b>TOTAL FUNDS</b>		<u>69,639</u>	<u>63,874</u>

*The financial statements were approved by the Governing Body of Corpus Christi College on 21st October 2009*

*President*

*Bursar*



**CORPUS CHRISTI COLLEGE**  
**Cashflow Statement**  
**Year ended 31 July 2009**

	Note	2009 £'000	2008 £'000
<b>Net cash inflow (outflow) from operating activities</b>	21	<u>(2,587)</u>	<u>(2,198)</u>
Returns on investments and servicing of finance			
Income from endowments received		2,181	2,243
Other income from investments and interest received		<u>97</u>	<u>121</u>
		2,278	2,364
Interest paid		0	0
Net cash inflow from returns on investments and servicing of finance		<u>2,278</u>	<u>2,364</u>
Capital expenditure and financial investment			
Net realisation/(acquisition) of tangible fixed assets	9	(2,779)	(655)
Net realisation/(acquisition) of fixed asset investments		0	0
Net realisation/(acquisition) of endowment asset investments	10	(776)	(3,099)
Endowments received	13	1,026	651
Deferred capital received	17	<u>600</u>	<u>584</u>
Net cash inflow (outflow) from capital expenditure and financial investment		<u>(1,929)</u>	<u>(2,519)</u>
<b>Net cash inflow (outflow) before use of liquid resources and financing</b>		(2,238)	(2,353)
Management of liquid resources		0	0
Financing		0	0
<b>Increase/(decrease) in cash</b>	22	<u>(2,238)</u>	<u>(2,353)</u>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Increase/(decrease) in cash for the year		(2,238)	(2,353)
Increase/(decrease) in liquid resources and current asset investments		<u>0</u>	<u>0</u>
Change in net funds	22	(2,238)	(2,353)
Net funds at 1 August		8,540	10,893
<b>Net funds at 31 July</b>	22	<u>6,302</u>	<u>8,540</u>

**CORPUS CHRISTI COLLEGE**  
**Notes to the Financial Statements**  
**Year ended 31 July 2009**

	2009 £'000	2008 £'000
<b>1 ACADEMIC FEES AND TUITION INCOME</b>		
Tuition fees from UK and European Union students	1,145	1,112
Tuition fees from overseas students	143	146
Other fees	10	18
Other tuition income	50	79
	<u>1,348</u>	<u>1,355</u>

The above analysis includes fee income in respect of UK and European Union publicly funded students amounting to £1,052,126 (2008 - £1,006,947).

	£'000	£'000
<b>2 OTHER OPERATING INCOME</b>		
Residential income from college members	1,043	1,035
Conference and function income	481	508
Grants and donations	64	17
Release of deferred capital contributions	0	0
Other income	107	140
	<u>1,695</u>	<u>1,700</u>

	£'000	£'000
<b>3 ENDOWMENT RETURN AND INTEREST RECEIVABLE</b>		
Transferred from specific endowments (note 13)	259	311
Transferred from general endowments (note 13)	2,072	2,024
Other investment income	0	0
Other interest receivable	97	121
	<u>2,428</u>	<u>2,456</u>

	£'000	£'000
<b>4 STAFF COSTS</b>		
Gross pay	2,654	2,563
Social Security costs	174	177
Other pension costs	372	310
Other benefits	47	57
	<u>3,247</u>	<u>3,107</u>

It is standard accounting practice to disclose further information relating to staff numbers and analyses of remuneration for higher paid employees. This information has not been included due to the particular difficulty of presenting meaningful data for staff jointly employed by the University and colleges.

**5 PENSION SCHEMES**

**1. The 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'). Both schemes are contributory defined benefit schemes (i.e. they provide benefits based on length of service and final pensionable salary) and are contracted out from the State Second Pension Scheme. The assets of USS and OSPS are each held in separate trustee-administered funds. Both schemes are multi-employer schemes and the College is unable to identify its share of the underlying assets and liabilities of each scheme on a consistent and reasonable basis. Therefore, in accordance with the accounting standard FRS17 "Retirement Benefits", the College accounts for the schemes as if they were defined contribution schemes. As a result, the amount charged to the income and expenditure account represents the contributions payable to the schemes in respect of the accounting period.

**CORPUS CHRISTI COLLEGE**  
**Notes to the Financial Statements**  
**Year ended 31 July 2009**

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

However, in OSPS, the amount of any pension funding shortfall in respect of any withdrawing participating employer will be charged to that employer.

The College has made available a Stakeholder Scheme for individual employees, but does not contribute to that scheme.

**2. Actuarial valuations**

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

	USS	OSPS
Date of valuation:	31/03/2008a	31/07/2007
Date valuation results published:	04/02/2009	09/10/2008
Value of past service liabilities:	£28,135m	£322m
Value of assets:	£28,842m	£279m
Funding Surplus/(Deficit):	£707mb	(£43m)c
Principal assumptions:		
Rate of interest (past service liabilities)	4.4% pa	-
Rate of interest (future service liabilities)	6.1% pa	-
Rate of interest (periods up to retirement)	-	6.9% pa
Rate of interest (periods after retirement)	-	4.9% pa
Rate of increase in salaries	4.3% pa	4.8% pa
Rate of increase in pensions	3.3% pa	3.3% pa
Mortality assumptions:		
Assumed life expectancy at age 65 (males)	23yrs	22yrs
Assumed life expectancy at age 65 (females)	25yrs	24yrs
Funding Ratios:		
Scheme valuation basis:	103%d	87%
Statutory Pension Protection Fund basis:	107%	95%
"Buy-out" basis:	79%d	71%
Estimated FRS17 basis	104%d	89%
Recommended Employer's contribution rate (as % of pensionable salaries):	16%e	21.5%c
Effective date of next valuation:	31/03/2011a	31/03/2010

**Notes:**

a. USS' actuary is undertaking an actuarial valuation of the Scheme as at 31 March 2011, the results of which are not expected to be finalised until December 2011, with publication of the final results in 2012.

b. In the light of the considerable swings in markets since the valuation date, the nature of the demographic and financial assumptions used in the ongoing and solvency valuations, the significant positive cash flows and equity orientated investment strategy, USS' actuary recommended, and the Trustee agreed, that the small ongoing funding surplus should be carried forward to the next valuation.

c. OSPS' actuarial valuation as at 31 July 2007 identified a required long-term employer contribution rate of 17.85% of total pensionable salaries, but also a funding deficit of £43.2m. The University, on behalf of all the employers participating in the scheme, has agreed with the trustees of OSPS to address this deficit by increasing the employer contribution rate to the previously agreed rate of 21.5% of total pensionable salaries with effect from 1 August 2008. The actuary has certified that the additional 3.65% contribution should eliminate the deficit by 31 July 2025.

d. Since 31 March 2005, the financial security of USS has improved and the actuary has estimated that the funding level has increased from 77% at 31 March 2005 to 103% at 31 March 2008. This fluctuation is due to the volatility of investment returns and gilt yields (used to value scheme liabilities) compared to the rates assumed at 31 March 2005. On the FRS17 basis, the actuary estimated that the funding level at 31 March 2008 was above 104% and on a buy out basis was approximately 79%.

e. The USS employer contribution rate required for future service benefits alone at the date of the valuation was 16.0% of total pensionable salaries and the Trustee company, on the advice of the actuary, decided to implement the increase from 14% to 16% on 1 October 2009.

**CORPUS CHRISTI COLLEGE**  
**Notes to the Financial Statements**  
**Year ended 31 July 2009**

**3. 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:

Assumption	Change in assumption	Impact on Scheme Liabilities	
		USS	OSPS
Valuation rate of interest	increase/decrease by 0.5%	decrease/increase by £2.2bn	decrease/increase by £30m
Rate of pension increases	increase/decrease by 0.5%	increase/decrease by £1.5bn	increase/decrease by £20m
Rate of salary growth	increase/decrease by 0.5%	increase/decrease by £0.7bn	increase/decrease by £7m
Rate of mortality	more prudent assumption (mortality used at last valuation, rated down by a further year)	increase by £1.6bn	increase by £10m

**4. Pension charge for the year:**

The pension charge recorded by the College during the accounting period was equal to the contributions payable as follows:

Scheme	2009	2008
	£000	£000
Universities Superannuation Scheme	140	142
University of Oxford Staff Pension Scheme	<u>232</u>	<u>168</u>
Total:	372	310

**6 ANALYSIS OF EXPENDITURE**

	Staff costs £'000	Depreciation £'000	Other operating expenses £'000	2009	2008
				Total £'000	Total £'000
Academic	1,305	0	380	1,685	1,624
Residences, catering and conferences	1,061	0	750	1,811	1,663
Premises	271	67	882	1,220	1,325
College administration	240	0	92	332	305
Endowment management	114	0	283	397	483
Fundraising	150	0	18	168	150
Other	106	0	37	143	158
	<u>3,247</u>	<u>67</u>	<u>2,442</u>	<u>5,756</u>	<u>5,708</u>
Interest payable				0	0
Contribution under Statute XV				55	59
<b>Total expenditure</b>				<u>5,811</u>	<u>5,767</u>
				£'000	£'000
Other operating expenses include auditors' remuneration:					
in respect of the audit of these financial statements				14	14
in respect of other services				0	0
				<u>14</u>	<u>14</u>

The above analysis includes expenditure in respect of UK and European Union students met by publicly funded fee income amounting to £1,052,126 (2008 - £1,006,947)

**CORPUS CHRISTI COLLEGE**  
**Notes to the Financial Statements**  
**Year ended 31 July 2009**

**7 TAXATION**

No Corporation tax was payable by the College during the year

**8 (DEFICIT) / SURPLUS FOR THE YEAR**

	2009 £'000	2008 £'000
College's (deficit) / surplus for the year	(340)	(256)
	<u>(340)</u>	<u>(256)</u>

**9 TANGIBLE FIXED ASSETS**

	Land & buildings			2009 Total £'000	2008 Total £'000
	Freehold £'000	Long leasehold £'000	Equipment		
<b>Cost</b>					
At start of year	1,827	1,644	0	3,471	2,816
Additions	2,702	0	77	2,779	655
Disposals	0	0	0	0	0
At end of year	<u>4,529</u>	<u>1,644</u>	<u>77</u>	<u>6,250</u>	<u>3,471</u>
<b>Depreciation</b>					
At start of year	724	461	0	1,185	1,115
Charge for period	34	33	0	67	70
On disposals	0	0	0	0	0
At end of year	<u>758</u>	<u>494</u>	<u>0</u>	<u>1,252</u>	<u>1,185</u>
<b>Net book value</b>					
At end of year	<u>3,771</u>	<u>1,150</u>	<u>77</u>	<u>4,998</u>	<u>2,286</u>
At start of year	<u>1,103</u>	<u>1,183</u>	<u>0</u>	<u>2,286</u>	<u>1,701</u>

**10 ENDOWMENT ASSET INVESTMENTS**

	Securities & cash	Land & property	2009 Total	2008 Total
	£'000	£'000	£'000	£'000
<b>At market value</b>				
At start of year	35,878	22,564	58,442	57,042
Purchases at cost	20,118	310	20,428	19,773
Sales proceeds	(7,631)	(12,021)	(19,652)	(16,674)
(Decrease) increase in cash held by fund manager	(2,135)	0	(2,135)	(2,517)
Revaluation gains	(4,170)	8,784	4,614	818
At end of year	<u>42,060</u>	<u>19,637</u>	<u>61,697</u>	<u>58,442</u>
<b>Analysed as</b>				
Fixed interest stocks (listed)	3,444			3,182
Equities (listed)	6,051			7,112
Unlisted securities	29,213			20,082
Cash	<u>3,352</u>			<u>5,502</u>
	<u>42,060</u>			<u>35,878</u>
Historical cost at end of year		<u>43,205</u>		<u>33,803</u>

Estates land and property valuations as at 31 July 2009 have been made by the College land agents, the basis of valuation being market value.

**CORPUS CHRISTI COLLEGE**  
**Notes to the Financial Statements**  
**Year ended 31 July 2009**

**11 DEBTORS**

	2009 £'000	2008 £'000
Amounts falling due within one year		
Trade debtors	213	234
Amounts owed by College members	10	14
Loans	5	6
Prepayments and accrued income	243	266
Amounts falling due after more than one year		
Loans	33	28
	504	548

**12 CREDITORS: AMOUNT FALLING DUE WITHIN ONE YEAR**

	2009 £'000	2008 £'000
Trade creditors	269	194
College Contribution	113	113
Other taxation and social security	55	64
Accruals and deferred income	98	92
Other creditors	75	62
	610	525

**13 ENDOWMENTS**

	Specific £'000	General £'000	2009 Total £'000	2008 Total £'000
At start of year	8,563	49,879	58,442	57,042
Endowments received	700	349	1,049	674
Appreciation (depreciation) of endowment investments	(566)	5,172	4,606	818
Income receivable from endowment asset investments	283	1,898	2,181	2,243
Transferred to income and expenditure account (note 3)	(259)	(2,072)	(2,331)	(2,335)
Transferred to general reserves		(2,250)	(2,250)	
<b>At end of year</b>	<b>8,721</b>	<b>52,976</b>	<b>61,697</b>	<b>58,442</b>

Endowments comprise those funds which are regarded as for the long term and which fundamentally underpin and sustain the operation of the College at its desired level of activity. Specific Endowments are those bequests and gifts where the use of the capital and income, or only the income, is for a specific purpose or activity so designated by the donor and which can only be used for that purpose or activity.

General Endowments represent the corporate capital of the College and include bequests and gifts where the use of the capital and income, or only the income is for the general purposes of the College. Part of these funds may have been designated for a particular purpose by the Governing Body.

**CORPUS CHRISTI COLLEGE**  
**Notes to the Financial Statements**  
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**14 RESERVES**

<b>DESIGNATED RESERVES</b>	2009 £'000	2008 £'000
At start of year	1,008	1,264
Transfers (to) / from general reserve	(340)	(256)
<b>At end of year</b>	<u>668</u>	<u>1,008</u>

Designated reserves are those reserves set aside by the College to be used for a special purpose, and which do not form part of College endowments.

At 31 July 2009 they comprised:

	£	£
Reserve for replacement and maintenance of functional buildings	668	1,008
	<u>668</u>	<u>1,008</u>

<b>GENERAL RESERVES</b>	2009 £'000	2008 £'000
At start of year	3,840	3,840
(Deficit) / Surplus from income and expenditure account	(340)	(256)
Transfers from / (to) endowment	2,250	0
Transfers from / (to) designated reserves	340	256
<b>At end of year</b>	<u>6,090</u>	<u>3,840</u>

	2009 £'000	2008 £'000
Representing:		
Undepreciated cost of tangible fixed assets		
financed out of general reserve	4,998	2,286
College general reserve	1,092	1,554
	<u>6,090</u>	<u>3,840</u>

A review of the purpose of individual endowment donations received in earlier years was carried out during the year and resulted in the reclassification of £2,250k of donations incorrectly included within endowment funds. These funds have been transferred from the General Endowment to the General Reserve to correct the position.

**15 CAPITAL COMMITMENTS**

The College had no capital commitments as at 31 July 2009.

The College had contracted capital commitments of £2,505,000 for major building works as at 31 July 2008.

**16 FINANCIAL COMMITMENTS**

The College had no commitments under non-cancellable operating leases as at 31 July 2009 or 31 July 2008.

**CORPUS CHRISTI COLLEGE**  
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17 DEFERRED CAPITAL	2009 £'000	2008 £'000
At start of year	584	0
New capital	600	584
Released to income and expenditure account	0	0
<b>At end of year</b>	<u>1,184</u>	<u>584</u>

**18 POST BALANCE SHEET EVENTS**

There are no post balance sheet events to report at 31 July 2009 or 31 July 2008.

**19 CONTINGENT LIABILITIES**

There are no contingent liabilities as at 31 July 2009 or 31 July 2008.

**20 RELATED PARTY TRANSACTIONS**

Included in the debtors figure is £29,155 (2008 - £21,980) of outstanding loans made to 6 (2008 - 5) members of the Governing Body to assist with the purchase of housing.

**21 RECONCILIATION OF OPERATING SURPLUS TO NET CASH  
INFLOW FROM OPERATING ACTIVITIES**

	2009 £'000	2008 £'000
(Deficit) / Surplus for the year	(340)	(256)
Depreciation	67	70
Endowment income and interest receivable	(2,428)	(2,456)
Interest payable	0	0
Decrease (increase) in stocks	(15)	(2)
Increase (decrease) in debtors	44	526
(Decrease) increase in creditors	85	(80)
(Decrease) increase in provisions	0	0
	<u>(2,587)</u>	<u>(2,198)</u>

**22 ANALYSIS OF CHANGES IN NET FUNDS**

	2009 £'000	Changes £'000	2008 £'000
Cash at bank and in hand	2,950	(88)	3,038
Endowment assets cash	3,352	(2,150)	5,502
	<u>6,302</u>	<u>(2,238)</u>	<u>8,540</u>



## **CORPUS CHRISTI COLLEGE**

### **Report of the Independent Auditor to the Governing Body**

We have audited the College financial statements ("the financial statements") of Corpus Christi College for the year ended 31 July 2009 which comprise the statement of principal accounting policies, the income and expenditure account, the statement of total recognised gains and losses, the college balance sheet, the cash flow statement and notes 1 to 22. These financial statements have been prepared under the accounting policies set out therein.

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

### **Respective Responsibilities of the Governing Body and the Auditor**

The Governing Body's responsibilities for preparing the Report of the Governing Body and the financial statements in accordance with UK law and Accounting Standards (UK GAAP) and the provisions of Statute XV made by the University of Oxford under the Universities of Oxford and Cambridge Act, 1923, and of Regulations for the accounts of the colleges made thereunder, are set out in the Responsibilities of the Governing Body.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the provisions of Statute XV made by the University of Oxford under the Universities of Oxford and Cambridge Act, 1923, and of Regulations for the accounts of the colleges made there under and whether the information given in the Report of the Governing Body is consistent with the financial statements. We also report to you if, in our opinion the College has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read the other information contained in the Report of the Governing Body and consider whether it is consistent with the audited financial statements. This other information comprises only the Report of the Governing Body. We consider the implications for our report if we become aware of any apparent misstatements, or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### **Basis of Opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Governing Body in the preparation of the financial statements, and of whether the accounting policies are appropriate to the College's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion:

- a) the financial statements give a true and fair view in accordance with UK GAAP of the state of the College's affairs as at 31 July 2009 and of the deficit for the year then ended;
- b) the financial statements have been properly prepared in accordance with the provisions of Statute XV made by the University of Oxford under the Universities of Oxford and Cambridge Act, 1923, and of Regulations for the accounts of the colleges made there under;
- c) in all material respects, income received from the University of Oxford out of grants from the Further and Higher Education Funding Council for England during the year ended 31 July 2009 has been applied to the purposes for which it was received; and
- d) the information given in the Report of the Governing Body is consistent with the financial statements for the year ended 31 July 2009.

GRANT THORNTON UK LLP  
REGISTERED AUDITOR  
CHARTERED ACCOUNTANTS  
OXFORD

22nd October 2009