



ST CATHERINE'S COLLEGE

FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2009

ST CATHERINE'S COLLEGE

Report of the Governing Body

The Governing Body of St Catherine's College presents the annual report and financial statements for the year ended 31 July 2009.

Status

St Catherine's College is an eleemosynary chartered charitable corporation aggregate. It was founded under a Royal Charter of Queen Elizabeth II, dated 1963. The corporation comprises the Master 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 as charity with effect from 1 November 2009 in accordance with the requirements of the Charities Act 2006.

Objects

The College exists to provide a College in the University of Oxford where men and women can work for degrees in the University and also to advance learning, education and research in the arts and sciences. The College also has various permanently endowed trust funds held for special purposes in connection with the development of College facilities and for scholarships, bursaries, prizes and other educational purposes.

Governance

The Governing Body of the College comprises the Master and certain of the Fellows. This body is constituted and regulated in accordance with the College Statutes, the terms of which are enforceable ultimately by the Visitor, HRH Prince Philip. The College Statutes are as made from time to time and approved by order of Her Majesty in Council under the Universities of Oxford and Cambridge Act 1923. The Governing Body is responsible for the strategic direction of the College, its administration and for the management of its finances and assets. It meets regularly under the chairmanship of the Master and is advised by a range of committees which include the Finance Committee and its Investment Subcommittee.

Scope of financial statements

The financial statements consolidate the accounts of St Catherine's College and its subsidiary undertakings, St Catherine's College Management Limited and St Catherine's College Development Limited. St Catherine's College Management Limited is the wholly-owned vehicle for trading activities of St Catherine's College, and St Catherine's College Development Limited is the wholly-owned vehicle for providing development, design and construction services to the College.

Review of operations and finance

The accounts are presented in the format prescribed by Statute XV of the University in conformity with UK GAAP and, to the extent appropriate, the Higher Education Statement of Recommended Practice. The income and expenditure for the year on continuing operations were better than budgeted for owing to a better than expected performance from the conference and domestic operations, where budgets had been set at prudent levels in view of prevailing economic uncertainty and considerable effort focused upon finding efficiency savings. The year saw continued investment in the fabric of the building including substantial renewal of the main services distribution channels in the Jacobsen buildings and the resurfacing of all the roads within the college.

Return on Endowment and Investment performance

The Investment Subcommittee manages the College's investment portfolio for total return. The benchmark for investment performance since 1 July 03 has been set at a long term real return of 4.5%. The total return on endowment was -14% for the year compared with +6.3% for the benchmark. We are now just over three years into our new endowment policy of diversified investing. At this point performance is significantly below our target of CPI + 4.5% measured over 5 year rolling periods. Over that time the endowment has performed 3% better than global equities 75% hedged back to sterling. It has also been reassuring that throughout the financial crisis the volatility of the endowment remained at half that of public equities. The Subcommittee's general direction from the Governing Body and its Finance Committee is to provide for a prudent and sustainable percentage of the expected long run return on endowment to fund the College's objectives, while at the same time aiming for some growth in real endowment capital. The Subcommittee believes that its sustainable spending target should range between 3% and 4% of the average of the endowment over the previous three years. This year the transfer was set at 3%. The majority of the College's endowment is invested in OXIP Limited Partnership, a Scottish Limited Partnership investing in a diversified portfolio which is designed to deliver real returns of 5% over 5 year rolling periods with about half the volatility of public equities. The total return from OXIP LP was -19.6% in the 12 months to July 31. The investment manager of the Partnership is Oxford Investment Partners Limited, in which the College also owns an equity stake alongside Balliol, Christ Church, New College and St John's.

Reserves

The balance on reserves at the year end amounted to £12,409K. The Governing Body has accepted that the 'free' reserves of the College will remain negative in the next few years because of the financing and depreciation charges associated with recent and planned capital projects. However, the College has been able to reduce the deficit on the general reserve from £7,377K to £7253K which is ahead of expectations at the beginning of the year. Ideally the Governing Body considers that a general 'free' reserve of £3 million should be built up as circumstances permit, to allow for future investment, optimal financial management and a buffer for uninterrupted services.

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.

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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; and*
- ◆ *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.

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.

St Catherine's College
Independent Auditors' Report to the Governing Body

We have audited the financial statements of St Catherine's College for the year ended 31 July 2009 which comprise the statement of principle accounting policies, the consolidated income and expenditure account, the statement of total recognised gains and losses, the balance sheets, the consolidated cash flow statement and the related notes 1 to 21. 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 auditors' 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 Auditors

The Governing Body's responsibilities for preparing the Report of the Governing Body and the financial statements 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 thereunder, are set out in the Responsibilities of the Governing Body. The Governing Body are also responsible for the preparation of the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom 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 thereunder. We also report to you if, in our opinion, the Report of the Governing Body is not consistent with the financial statements, if 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. 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 United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the College, and of the College consolidated with its subsidiaries and connected entities, as at 31 July 2009 and of its consolidated surplus for the year then ended; and
- 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 thereunder, and:
- c) in all material respects, income received from the University of Oxford out of grants from the Higher Education Funding Council for England during the year ended 31 July 2009 has been applied to the purposes for which it was received.

Critchleys
Statutory Auditors
Chartered Accountants
Oxford

26 November 2009

ST CATHERINE'S 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.

The financial statements consolidate the accounts of the College and of its subsidiary undertakings, St Catherine's College Management Limited and St Catherine's College Development Ltd. The accounts of the affiliated student bodies (St Catherine's College Junior and Middle Common Rooms) have not been consolidated because the College does not control their activities. The principal accounting policies are summarised below. They all have been applied consistently throughout the year and the preceding 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 endowment investments is credited to endowment, and transfers from endowment to the income and expenditure account are made in accordance with a total return policy. The annual sum transferred is determined by a sustainable spending formula. This represents a change in accounting policy and prior year figures have been amended accordingly. The annual transfer from specific endowments matches annual spending from those endowments.

Donations and Benefactions

Donations and benefactions are credited to specific endowment reserves, general endowment reserves or deferred capital where the capital is restricted and to the Income and Expenditure account in all other cases.

Pension costs

Contributions to the defined benefit pension schemes provided for employees of the College are charged to the income and expenditure account in the year in which they are incurred. This is in accordance with the exemption from FRS 17 afforded to multi employer schemes.

Tangible fixed assets

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

Freehold buildings	30 years
Building improvements	20 - 30 years
Equipment	4 - 10 years

The original College buildings constructed in the 1960s, are fully written down. The cost and accumulated depreciation of the original College buildings are not included in the tangible fixed assets note (note 9) due to the lack of accurate historical cost data. Freehold land is not depreciated. The cost of freehold land associated with the main historic site is not included in the balance sheet, but is unlikely to be material.

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

Investments

Listed and unlisted investments and properties held as endowment asset investments are stated at market value. Other investments are stated at cost less any provision for impairment.

Surpluses or deficits arising on the revaluation or realisation of endowment asset investments are added to or subtracted from the funds concerned.

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 corrective maintenance is charged to the income and expenditure account in the period it is incurred.

ST CATHERINE'S COLLEGE
Statement of Principal Accounting Policies

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

Rental costs under operating leases are charged to expenditure in equal annual amounts over the periods of the leases.

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 administered through its subsidiary companies, which, as commercial organisations, are liable to Corporation Tax. Profits made by these companies are, however, transferred to the College by Gift Aid, corporation tax being deducted from the Gift Aid payments and recovered by the College.

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.

ST CATHERINE'S COLLEGE
Consolidated Income and Expenditure Account
Year ended 31 July 2009

	Notes	2009 £	2008 £
INCOME			
Academic fees, tuition income and other HEFCE support	1	3,257	3,107
Research grants and contracts	2	245	166
Other operating income	3	4,313	4,197
Endowment return and interest receivable	4	1,286	1,338
Total income		<u>9,101</u>	<u>8,808</u>
EXPENDITURE			
Staff costs	5	4,287	4,099
Depreciation	9	877	858
Other operating expenses	7	3,217	2,944
Interest payable		255	268
Contribution under Statute XV		25	20
Total expenditure	7	<u>8,661</u>	<u>8,189</u>
Surplus for the year on continuing operations before taxation		440	619
Surplus for the year after taxation	9	<u>440</u>	<u>619</u>

Consolidated statement of total recognised gains and losses
Year ended 31 July 2009

	Notes	2009 £	2008 £
Reserves			
Surplus for the year		440	619
Transferred (to) general endowment	16	(577)	(666)
Movement in designated/other reserves	17	0	3
(Deficit)/surplus for the year after endowment transfer		<u>(137)</u>	<u>(44)</u>
Endowments			
Income receivable from endowment asset investments	16	69	105
Endowment return transferred to income and expenditure account	16	(1,286)	(1,338)
Transferred to/(from) general reserve	16	577	666
(Depreciation)/appreciation of endowment asset investments	16	(5,927)	(268)
New endowments received	16	345	637
Net increase to endowment		<u>(6,222)</u>	<u>(198)</u>
Other			
Net additions to deferred capital	15	<u>(97)</u>	<u>218</u>
Total recognised gains relating to the year		(6,456)	(24)
Opening reserves and endowments		56,312	56,336
Closing reserves and endowments		<u>49,856</u>	<u>56,312</u>

ST CATHERINE'S COLLEGE

Balance Sheets

As at 31 July 2009

	Notes	CONSOLIDATED		COLLEGE	
		2009 £	2008 £	2009 £	2008 £
Fixed assets					
Tangible assets	9	19,648	19,941	20,033	20,316
Investments	10	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
		<u>19,648</u>	<u>19,941</u>	<u>20,033</u>	<u>20,316</u>
Endowment asset investments					
Securities and cash deposits		32,767	38,645	32,767	38,645
Land and property		1,548	1,892	1,548	1,892
	11	<u>34,315</u>	<u>40,537</u>	<u>34,315</u>	<u>40,537</u>
Current assets:					
Stocks		206	187	206	187
Debtors	12	1,105	741	1,778	812
Cash at bank and in hand		<u>222</u>	<u>143</u>	<u>0</u>	<u>0</u>
		1,533	1,071	1,984	999
Creditors:					
Amounts falling due within one year	13	(1,740)	(1,137)	(2,191)	(1,071)
		<u>(207)</u>	<u>(66)</u>	<u>(207)</u>	<u>(72)</u>
Net current liabilities					
TOTAL ASSETS LESS CURRENT LIABILITIES		53,756	60,412	54,141	60,781
Creditors:					
Amounts falling due after more than one year	14	(3,900)	(4,100)	(3,900)	(4,100)
TOTAL NET ASSETS		<u>49,856</u>	<u>56,312</u>	<u>50,241</u>	<u>56,681</u>
Deferred capital	15	3,132	3,229	3,132	3,229
Endowments					
Specific		10,101	10,786	10,101	10,786
General		<u>24,214</u>	<u>29,751</u>	<u>24,214</u>	<u>29,751</u>
	16	34,315	40,537	34,315	40,537
Reserves					
Designated reserves		4	4	4	4
General reserves		<u>12,405</u>	<u>12,542</u>	<u>12,790</u>	<u>12,911</u>
	17	12,409	12,546	12,794	12,915
TOTAL FUNDS		<u>49,856</u>	<u>56,312</u>	<u>50,241</u>	<u>56,681</u>

The financial statements were approved by the Governing Body of St Catherine's College on 4th November 2009

R W Ainsworth
Master

F E Dinshaw
Finance Bursar

ST CATHERINE'S COLLEGE
Consolidated Cashflow Statement
Year ended 31 July 2009

	Note	2009 £	2008 £
Net cash inflow (outflow) from operating activities	20	<u>385</u>	<u>21</u>
Returns on investments and servicing of finance			
Income from endowments received	16	69	105
Other income from investments and interest received	4	<u>0</u>	<u>0</u>
		69	105
Interest paid	7	(255)	(268)
Net cash inflow from returns on investments and servicing of finance		<u>(186)</u>	<u>(163)</u>
Capital expenditure and financial investment			
Payments to acquire fixed assets	9	(583)	(426)
Payments to acquire endowment asset investments	11	(640)	(415)
Receipts from sale of endowment assets	11	891	87
Endowments received	16	345	637
Deferred capital grants received	15	24	339
Net cash inflow (outflow) from capital expenditure and financial investment		<u>37</u>	<u>222</u>
Net cash inflow before use of liquid resources and financing		236	80
Financing			
Repayment of loan	14	(200)	(200)
Increase in cash	21	<u>36</u>	<u>(120)</u>
Reconciliation of net cash flow to movement in net funds			
Increase in cash for the year		36	(120)
Cash outflow from movement in debt financing		200	200
Change in net funds		<u>236</u>	<u>80</u>
Increase in net funds from currency exchange fluctuation		846	182
Net funds at 1 August	21	(792)	(1,054)
Net funds at 31 July	21	<u>290</u>	<u>(792)</u>

ST CATHERINE'S COLLEGE
Notes to the Financial Statements
Year ended 31 July 2009

	2009 £	2008 £
1 ACADEMIC FEES, TUITION INCOME AND HEFCE SUPPORT		
Tuition fees from UK and European Union students	1,543	2,008
Tuition fees from overseas students	540	395
Other fees	632	625
Other tuition income and HEFCE support	542	79
	<u>3,257</u>	<u>3,107</u>
The above analysis includes support from the University from HEFCE funds amounting to £1,770 (2008 - £1,851)		
2 RESEARCH GRANTS AND CONTRACTS	£	£
Research councils	5	5
UK based charities	15	15
European commission	0	0
Other grants and contracts	225	146
	<u>245</u>	<u>166</u>
3 OTHER OPERATING INCOME	£	£
Residential income from college members	1,910	1,797
Conference and function income	2,112	2,064
Grants and donations	9	1
Release of deferred capital contributions	121	121
Other income	161	214
	<u>4,313</u>	<u>4,197</u>
4 ENDOWMENT RETURN AND INTEREST RECEIVABLE	£	£
Transferred from specific endowments (note 16)	398	434
Transferred from general endowments (note 16)	888	904
	<u>1,286</u>	<u>1,338</u>
5 STAFF COSTS	£	£
Gross pay	3,548	3,530
Social Security costs	232	220
Other pension costs	407	339
Other benefits	100	10
	<u>4,287</u>	<u>4,099</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.]

6 PENSION SCHEMES

6.1 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 the length of service and final pensionable salary) and are contracted out from the State 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.

In the event of the withdrawal of any of the participating employers in USS, the amount of any pension funding

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shortfall (which cannot be otherwise recovered) in respect of that employer will be spread across the remaining participating employers and reflected in the new 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.

6.2 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 the market conditions prevailing at the valuation date. The results of the latest actuarial valuations and the assumptions, which have the most 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	31/07/07
Date valuation results published:	04/02/09	09/10/2008
Value of past service liabilities:	£28,135m	£325m
Value of assets:	£28,842m	£282m
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)	23 yrs	
Assumed life expectancy at age 65 (females)	25 yrs	
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	31/07/10

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.

ST CATHERINE'S COLLEGE
Notes to the Financial Statements
Year ended 31 July 2009

6.3 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 £0.5bn	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

6.4 Pension charge for the year:

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

Scheme	2009 £'000	2008 £'000
Universities Superannuation Scheme	165	161
University of Oxford Staff Pension Scheme	242	178
Total:	407	339

7 ANALYSIS OF EXPENDITURE

	Staff costs £	Depreciation £	Other operating expenses £	2009 Total £	2008 Total £
Academic	1,533		316	1,849	1,812
Residences, catering and conferences	1,838	10	922	2,770	2,701
Premises	311	812	1,190	2,313	2,008
College administration	439	38	152	629	563
Endowment management	60			60	56
Fundraising	92		115	207	183
Other	14	17	522	553	578
	<u>4,287</u>	<u>877</u>	<u>3,217</u>	<u>8,381</u>	<u>7,901</u>
Interest payable				255	268
Contribution under Statute XV				25	20
Total expenditure				<u>8,661</u>	<u>8,189</u>
				£	£
Interest payable relates to -					
Bank loans, overdrafts and other loans:					
Repayable wholly or partly in more than 5 years				255	268
				<u>255</u>	<u>268</u>
Other operating expenses include auditors' remuneration:					
in respect of the audit of these financial statements					
in respect of other services				13	14

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Notes to the Financial Statements
Year ended 31 July 2009

	2009	2008
	£	£
8 SURPLUS FOR THE YEAR		
College's surplus for the year	448	627
Surplus generated by the subsidiary undertaking(s)	468	402
Consolidation adjustments	(476)	(410)
	<u>440</u>	<u>619</u>

9 TANGIBLE FIXED ASSETS

CONSOLIDATED

	Land & buildings		
	Freehold	Equipment	Total
	£	£	£
Cost			
At start of year	24,194	1,486	25,680
Additions	484	99	583
Disposals	0	(557)	(557)
	<u>24,678</u>	<u>1,028</u>	<u>25,706</u>
At end of year			
Depreciation			
At start of year	4,677	1,062	5,739
Charge for period	804	72	876
On disposals	0	(557)	(557)
	<u>5,481</u>	<u>577</u>	<u>6,058</u>
At end of year			
Net book value			
At end of year	<u>19,197</u>	<u>451</u>	<u>19,648</u>
At start of year	<u>19,517</u>	<u>424</u>	<u>19,941</u>

COLLEGE

	Land & buildings		
	Freehold	Equipment	Total
	£	£	£
Cost			
At start of year	24,570	1,486	26,056
Additions	493	99	592
Disposals	0	(557)	(557)
	<u>25,063</u>	<u>1,028</u>	<u>26,091</u>
At end of year			
Depreciation			
At start of year	4,677	1,062	5,739
Charge for period	804	72	876
On disposals	0	(557)	(557)
	<u>5,481</u>	<u>577</u>	<u>6,058</u>
At end of year			
Net book value			
At end of year	<u>19,582</u>	<u>451</u>	<u>20,033</u>
At start of year	<u>19,893</u>	<u>424</u>	<u>20,317</u>

ST CATHERINE'S COLLEGE
Notes to the Financial Statements
Year ended 31 July 2009

10 FIXED ASSET INVESTMENTS

	CONSOLIDATED £	COLLEGE £
Cost and net book value	0	0
Shares in OXIP	0	0
Shares in subsidiary undertakings	0	0
	<hr/>	<hr/>
At end of year	<u>0</u>	<u>0</u>

The College owns 100% of the issued share capital of St Catherine's College Management Limited, a company incorporated in England and Wales. The principal business activity of St Catherine's College Management Limited is the provision of conference facilities for St Catherine's College. The College owns 100% of St Catherine's College Development Limited, a company incorporated in England and Wales. The principal business activity of St Catherine's College Development Limited is the provision of development and construction services to St Catherine's College. Oxford Investment Partners Limited ("OXIP") is a UK investment company which manages funds for 5 Oxford Colleges and similar investors who share the colleges' investment objectives. The College is a founding shareholder of the Company and owned 19% of the equity of OXIP Ltd at 31 July 2009. The Finance Bursar of the College, Dr F E Dinshaw, is a non-executive director of the company.

11 ENDOWMENT ASSET INVESTMENTS
CONSOLIDATED & COLLEGE

	Securities & cash £	Land & property £	Total £
At market value			
At start of year	38,645	1,892	40,537
Purchases at cost	640	0	640
Sales proceeds	(617)	(274)	(891)
Decrease in cash held by fund manager	(43)		(43)
Revaluation losses	(5,858)	(70)	(5,928)
	<hr/>	<hr/>	<hr/>
At end of year	<u>32,767</u>	<u>1,548</u>	<u>34,315</u>
Analysed as			
Fixed interest stocks (listed)			
Equities (listed)	27,130		
Unlisted securities	1,469		
Cash	4,168		
	<hr/>		
	<u>32,767</u>		
 Historical cost at end of year	 <u>36,743</u>		

12 DEBTORS

	CONSOLIDATED		COLLEGE	
	2009 £	2008 £	2009 £	2008 £
Amounts falling due within one year				
Trade debtors	707	307	372	217
Amounts owed by College members	30	19	30	19
Amounts owed by group undertakings	0	0	1,027	161
Loans	2	0	2	0
Prepayments and accrued income	285	36	285	36
Amounts falling due after more than one year				
Loans	33	39	33	39
Other debtors	48	340	29	340
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>1,105</u>	<u>741</u>	<u>1,778</u>	<u>812</u>

ST CATHERINE'S COLLEGE
Notes to the Financial Statements
Year ended 31 July 2009

13 CREDITORS: AMOUNT FALLING DUE WITHIN ONE YEAR

	CONSOLIDATED		COLLEGE	
	2009	2008	2009	2008
	£	£	£	£
Bank loans and overdrafts	200	200	200	200
Unsecured loans	81	102	81	102
Trade creditors	631	349	497	283
College Contribution	25	20	25	20
Other taxation and social security	121	119	120	119
Amounts owed to group undertakings	0	0	588	0
Amounts owed to College members	65	2	65	2
Accruals and deferred income	86	57	86	57
Other creditors	531	288	529	288
	<u>1,740</u>	<u>1,137</u>	<u>2,191</u>	<u>1,071</u>

14 CREDITORS: AMOUNT FALLING DUE AFTER MORE THAN ONE YEAR

	£	£	£	£
Bank loans	3,900	4,100	3,900	4,100
	<u>3,900</u>	<u>4,100</u>	<u>3,900</u>	<u>4,100</u>

The bank loan is repayable over 25 years and bears interest at a fixed rate of 5.795%.

15 DEFERRED CAPITAL

CONSOLIDATED AND COLLEGE

COLLEGE
£

At start of year				3,229
New capital				24
Released to income and expenditure account				(121)
At end of year				<u>3,132</u>

The balance on deferred capital represents donations received to finance the purchase of tangible fixed assets. Amounts are released to the income and expenditure account over the lives of the related assets on the same basis as the charge for depreciation.

16 ENDOWMENTS

CONSOLOIDATED AND COLLEGE

	Specific	General	Total
	£	£	£
At start of year	10,786	29,751	40,537
Endowments received	141	204	345
Appreciation (depreciation) of endowment investments	(460)	(5,467)	(5,927)
Income receivable from endowment asset investments	32	37	69
Transferred to income and expenditure account (note 4)	(398)	(888)	(1,286)
Transfer (to) from income and expenditure reserve to/from general endowment	0	577	577
At end of year	<u>10,101</u>	<u>24,214</u>	<u>34,315</u>

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.

ST CATHERINE'S COLLEGE
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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.

Specific endowments (consolidated and College) include funds valued at £3,453k (2007; £3,586k) which provide income for purposes that lie outside the objects of the College. Income arising amounted to £15k (2007:£15k).

17 RESERVES

CONSOLIDATED AND COLLEGE

DESIGNATED RESERVES

	£
At start of year	4
Transfers (to) from general reserve	0
At end of year	<u>4</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:

	2009	2008
	£	£
Other designated reserves	4	1
	<u>4</u>	<u>1</u>

GENERAL RESERVES

	CONSOLIDATED	COLLEGE
	£	£
At start of year	12,542	12,911
Surplus from income and expenditure account	440	456
Transfer from endowment	0	0
Transfer from general endowment reserve	(577)	(577)
At end of year	<u>12,405</u>	<u>12,790</u>

	CONSOLIDATED		COLLEGE	
	2009	2008	2009	2008
	£	£	£	£
Representing:				
Undepreciated cost of tangible fixed assets				
financed out of general reserve	19,658	19,941	20,033	20,316
College general reserve	(7,253)	(7,446)	(7,243)	(7,452)
	<u>12,405</u>	<u>12,495</u>	<u>12,790</u>	<u>12,864</u>

18 CAPITAL COMMITMENTS

CONSOLIDATED AND COLLEGE

	2009	2008
	£	£
Capital commitments contracted at 31 July	886	0
	<u>886</u>	<u>0</u>

ST CATHERINE'S COLLEGE
Notes to the Financial Statements
Year ended 31 July 2009

19 RELATED PARTY TRANSACTIONS

As of 31 July 2009 the following related party balances were outstanding:

Owed by Fellows in respect of battels £5k (2008 - £8k)
Owed by Fellows in respect of joint equity properties £824k (2008 - £1,090k)

**20 RECONCILIATION OF CONSOLIDATED OPERATING SURPLUS TO NET CASH
INFLOW FROM OPERATING ACTIVITIES**

	2009 £	2008 £
Surplus for the year	440	619
Depreciation	877	858
Endowment income and interest receivable	(1,286)	(1,338)
Interest payable	255	268
Deferred capital grants released to income	(121)	(121)
Decrease (increase) in stocks	(19)	(2)
Decrease (increase) in debtors	(364)	(32)
(Decrease) increase in creditors	603	(231)
	<u>385</u>	<u>21</u>

21 ANALYSIS OF CHANGES IN NET FUNDS

	2008 £	Changes £	Exchange revaluation £	2009 £
Bank loan	(200)	0	0	(200)
Cash at bank and in hand	143	79	0	222
Endowment assets cash (note 11)	3,365	(43)	846	4,168
	<u>3,308</u>	<u>36</u>	<u>846</u>	<u>4,190</u>
Debt due after 1 year (note 14)	(4,100)	200	0	(3,900)
	<u>(792)</u>	<u>236</u>	<u>846</u>	<u>290</u>