



# **St Edmund Hall, Oxford**

## **Annual Report and Financial Statements**

*For the year ended 31 July 2009*

**St Edmund Hall, Oxford**  
**Annual Report and Financial Statements**

**Contents**

Report of the Governing Body

Responsibilities of the Governing Body

Report of the Independent Auditors to the Governing Body of St Edmund Hall

Statement of Principal Accounting Policies

Income and Expenditure Account

Balance Sheet

Cashflow Statement

Notes to the Financial Statements

## **ST EDMUND HALL**

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

The Governing Body of St Edmund Hall presents the annual report and financial statements for the year ended 31 July 2009.

#### **Status**

St Edmund Hall is an eleemosynary chartered charitable corporation aggregate. It was incorporated under a Royal Charter dated 15 February 1957, although the Hall has been in existence since the 14th century. The corporate name of the College is the Principal, Fellows and Scholars of St Edmund Hall in the University of Oxford. The College is an exempt charity under s3(5a) Charities Act 1993 (as listed in Schedule 2(b) to that Act). However, under the Charities Act 2006 Oxford and Cambridge Colleges will no longer be exempt charities and must register with the Charity Commission in the near future. Discussions concerning the implications of this are currently proceeding. One implication is likely to be a change in the future format of accounts.

#### **Objects**

Under its Statutes, the College exists to provide, promote and engage in education, learning and research.

#### **Governance**

The Governing Body of the College comprises the Principal and most 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, the Chancellor of the University of Oxford. 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 Principal and is served by a range of committees which include the Academic Committee, Finance Committee (and Investment Sub-Committee) and the Development Committee. There is also a Board of External Advisers.

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

In 2008-9 the College comprised 51 Fellows, 31 Lecturers, 386 undergraduate students, 128 graduate students and 33 (full-time equivalent) visiting students. The total of 547 students was a decrease of 32 over the previous year.

Of 28 Tutorial Fellows, 18 have been accorded the title of Professor or Reader by the University. In 2008-9 107 undergraduates took their final examinations and 23 obtained First-Class degrees.

83 undergraduates received Bursaries on the basis of financial need, funded by the University, the College and donations from old members.

The annual report and financial statements have been drafted in accordance with the reporting requirements for Oxford colleges as contained in Statute XV made by the University of Oxford under the Oxford and Cambridge Act, 1923. The accounting format complies in all material aspects with recognized accounting standards. The basis used for preparation of the figures is more fully explained in the statement of accounting policies and the notes to the financial statements.

Income, on page 8 of the accounts, increased by 2.3% to £6.7m, compared with a 8.8% rise in the previous year. Expenditure of £6.6m was up by 9.4%, compared with 7.4% in the previous year. Increases in pay rates in the last year of a national UCEA three-year salary agreement were a significant contributor to the growth of expenditure. As a result the surplus on the Income and Expenditure Account decreased to £50k, from £476k in 2007/08. The surplus will be applied to the development of college facilities in future years.

Recognized losses of £2.6m reflected another bad year for the equity and capital markets, after a loss of £2.0m in 2008. This represents a total loss of about 15% in the value of endowment assets over the two years of the financial crisis. While the College still receives, as a 'poor college', grants from the College Contributions Fund, the College's assets have in recent years risen just above the threshold for contributions into that fund.

The College continues to operate in difficult conditions. Academic income continues to be constrained by government policy. The scope for fee increases is strictly limited, and such increases as have been allowed have been partially offset by the provision of bursaries for less well-off students. Furthermore recent changes to the system of allocation of joint academic income between university and colleges have resulted in some loss of income to the College.

In September 2009 Professor Mingos will retire as Principal. With effect from 1st October 2009 Professor Keith Gull CBE FRS has been pre-elected as Principal of the College.

**ST EDMUND HALL**  
**Report of the Governing Body**

**Investment performance**

The Investment Sub-committee is comprised of Fellows and old members of the College with investment experience. The Investment Sub-Committee pursues a total investment return (from income and capital combined) objective. The total return on the main portfolios of stocks and shares was minus 7.9%, after fees.

During the year the Investment Sub-Committee decided to invest a significant proportion of the portfolio with the new Oxford Endowment Fund, managed by Oxford University Endowment Management; the other major part of the portfolio remains invested by Newton Investment Management Limited, who have discretion within the overall policy and report quarterly, in writing and/or in person. The College manages some other assets, mainly cash, index-linked and alternative investments directly. All investments are kept under review by the Finance Bursar and the Investment Sub-committee. Performance is assessed against appropriate benchmarks.

The College's investment managers take advice from expert ethical investment advisors. The College makes every effort to be a responsible investor.

**Reserves**

The balance on reserves at the year end amounted to £8.3m (note 17). After allowing for amounts invested in fixed assets and designated reserves for special purposes, the College's general reserve was £0.8m. Two years ago the Governing Body reviewed the reserves of the College and concluded a general reserve of at least £1.0m should be established to allow the College to be managed efficiently and to provide a buffer that would ensure uninterrupted services. This equates to approximately two months of expenditure. The GB envisaged that achieving the uncommitted surpluses needed to increase the reserves would be a challenging target; nevertheless some progress has been made.

**Risk management**

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

The College is engaged in risk assessment on an ongoing basis. When it is not able to address risk issues using internal resources, the College takes advice from experts external to the College with specialist knowledge. Policies and procedures within the College are reviewed by the relevant College Committee, chaired by the Principal or one of the Bursars. Financial risks are assessed by the Finance Committee and investment risks are monitored by the Investment Sub-committee. In addition, the Home Bursar and domestic staff heads meet regularly to review health and safety issues. Training courses and other forms of career development are available, when requested, to members of staff to enhance their skills in risk-related areas.

Approved by the Governing Body on 21st October 2009

Keith Gull  
Principal

## **ST EDMUND HALL**

### **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.

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 EDMUND HALL**  
**REPORT OF THE INDEPENDENT AUDITORS TO THE GOVERNING BODY OF ST EDMUND HALL**

We have audited the financial statements of St Edmund Hall for the year ended 31 July 2009 which comprise the principal accounting policies, the income and expenditure account, the statement of total recognised gains and losses, the balance sheet, the cash flow statement, and notes 1 to 27. 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 it 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.

Our responsibility is to audit the financial statements in accordance with the 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 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 Report of the Governing Body and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to 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.

In our opinion:

- a) the financial statements give a true and fair view of the state of affairs of the College as at 31 July 2009 and of its surplus 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 thereunder, and
- c) income for the provision of education received from the University of Oxford during the year ended 31 July 2009 has been applied for the purposes for which it was received.

**Horwath Clark Whitehill LLP**  
Chartered Accountants and Statutory Auditor

22nd October 2009

St Bride's House  
10 Salisbury Square  
London EC4Y

## **ST EDMUND HALL**

### **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. In the light of 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 accounts of the affiliated bodies (St Edmund Hall Junior, Middle and Senior Common Rooms) have not been consolidated because the College does not control these activities.

The accounts of the College have been prepared under the amended College accounts regulations to show a true and fair view of the state of affairs of the College at 31 July 2009 and of its income and expenditure for the year then ended, in accordance with UK Generally Accepted Accounting Practices.

#### **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 credited to income and expenditure account on a receivable basis.

#### **General donations**

Unrestricted donations and benefactions are credited to income and expenditure account on a receivable basis.

#### **Pension contributions**

The College contributes to the Universities Superannuation Scheme and the University of Oxford Staff Pension Scheme at rates set by the scheme actuaries and advised to the College by the scheme administrators. These schemes are both multi employer pension schemes, and it is not possible to identify the assets of the schemes which are attributable to the College. In accordance with FRS17 these schemes are accounted for on a defined contribution basis and contributions to these schemes are accounted for in the period in which they are payable.

The College also contributes to individual personal pension schemes of employees. Contributions to these schemes are also accounted for in the period in which they are payable.

#### **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	50 years
Equipment	4 - 8 years

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 capitalized and depreciated over applicable periods. Buildings in the course of construction are not depreciated.

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.

## **ST EDMUND HALL**

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

The College operates a "de minimis" limit of £5000 for the capitalization 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**

Fixed asset and endowment asset investments are stated at market value at the balance sheet date. Current asset investments are stated at the lower of cost and net realizable value.

Surpluses or deficits arising on the revaluation or realization 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 realizable 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.

#### **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 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.

#### **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 and is accounted for in the year to which it relates.



**ST EDMUND HALL**  
**Income and Expenditure Account**  
**Year ended 31 July 2009**

	Notes	2009 £000	2008 £000
<b>INCOME</b>			
Academic fees and tuition income	1	2,421	2,421
Research grants and contracts	2	33	33
Other operating income	3	3,250	2,898
Endowment return and interest receivable	4	948	1,153
<b>Total income</b>		<u>6,652</u>	<u>6,505</u>
<b>EXPENDITURE</b>			
Staff costs	5	4,002	3,716
Depreciation		338	323
Other operating expenses		2,262	1,992
Interest payable		2	4
Contribution under Statute XV		(1)	1
<b>Total expenditure</b>	6	<u>6,603</u>	<u>6,036</u>
Surplus for the year on continuing operations before taxation and disposal of fixed assets		49	469
Surplus on disposal of fixed assets		1	7
Taxation	7	-	-
<b>Surplus for the year after taxation</b>	8	<u>50</u>	<u>476</u>

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

	Notes	2009 £000	2008 £000
<b>Reserves</b>			
Surplus for the year		50	476
<b>Endowments</b>			
Income receivable from endowment asset investments	16	890	1,019
Endowment return transferred to income and expenditure account	16	(879)	(997)
Depreciation/Appreciation of endowment asset investments	16	(2,644)	(2,015)
New endowments received	16	529	1,221
<b>Other</b>			
Net additions to deferred capital	15	235	190
<b>Total recognised gains relating to the year</b>		<u>(1,819)</u>	<u>(106)</u>
Opening fund balances		39,086	39,192
Closing fund balances		<u>37,267</u>	<u>39,086</u>

**ST EDMUND HALL**  
**Balance Sheet**  
**As at 31 July 2009**

	Notes	2009 £000	2008 £000
<b>Fixed assets</b>			
Tangible assets	9	11,214	11,052
Investments	10	-	-
		<u>11,214</u>	<u>11,052</u>
<b>Endowment asset investments</b>			
Securities and cash deposits		23,306	25,777
Land and property		1,961	1,795
	11	<u>25,267</u>	<u>27,572</u>
<b>Current assets:</b>			
Stocks		148	155
Debtors	12	419	470
Short term investments		140	0
Cash at bank and in hand		884	684
		<u>1,591</u>	<u>1,309</u>
<b>Creditors:</b>			
Amounts falling due within one year	13	(724)	(747)
<b>Net current assets (liabilities)</b>		<u>867</u>	<u>562</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>37,348</b>	<b>39,186</b>
<b>Creditors:</b>			
Amounts falling due after more than one year	14	(80)	(100)
<b>TOTAL NET ASSETS</b>		<u><b>37,268</b></u>	<u><b>39,086</b></u>
<b>Deferred capital</b>	15	3,637	3,402
<b>Endowments</b>			
Specific		9,491	10,448
General		15,776	17,124
	16	<u>25,267</u>	<u>27,572</u>
<b>Reserves</b>			
Designated reserves		20	20
General reserves		8,344	8,092
	17	<u>8,364</u>	<u>8,112</u>
<b>TOTAL FUNDS</b>		<u><b>37,268</b></u>	<u><b>39,086</b></u>

The financial statements were approved by the Governing Body of St Edmund Hall on 21st October 2009.

K Gull  
Principal

M D E Slater  
Finance Bursar

**ST EDMUND HALL**  
**Consolidated Cashflow Statement**  
**Year ended 31 July 2009**

	Notes	2009 £000	2008 £000
<b>Net cash inflow (outflow) from operating activities</b>	23	<u>(572)</u>	<u>(328)</u>
Returns on investments and servicing of finance			
Income from endowments received		890	1,019
Other income from investments and interest received		<u>69</u>	<u>156</u>
		959	1,175
Interest paid		(2)	(4)
Net cash inflow from returns on investments and servicing of finance		<u>957</u>	<u>1,171</u>
Capital expenditure and financial investment			
Net realisation/(acquisition) of tangible fixed assets		(500)	(2,346)
Net realisation/(acquisition) of fixed asset investments		-	-
Net realisation/(acquisition) of endowment asset investments		(4,953)	3,040
Endowments received		529	1,221
Deferred capital received		303	235
Other net capital movements		-	-
Net cash inflow (outflow) from capital expenditure and financial investment		<u>(4,621)</u>	<u>2,150</u>
<b>Net cash inflow before use of liquid resources and financing</b>		(4,236)	2,993
Management of liquid resources	24	(140)	44
Financing	25	(20)	(20)
<b>Increase/(decrease) in cash</b>	26	<u>(4,396)</u>	<u>3,017</u>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Increase/(decrease) in cash for the year		(4,396)	3,017
Increase/(decrease) in liquid resources and current asset investments		140	(44)
Increase/(decrease) in debt		(51)	29
Change in net funds		<u>(4,307)</u>	<u>3,002</u>
Net surplus of funds at 1 August 2008		8,993	5,991
<b>Net surplus of funds at 31 July 2009</b>		<u>4,686</u>	<u>8,993</u>

**ST EDMUND HALL**  
**Notes to the Financial Statements**  
**Year ended 31 July 2009**

<b>1 ACADEMIC FEES AND TUITION INCOME</b>	<b>2009</b>	<b>2008</b>
	<b>£000</b>	<b>£000</b>
Tuition fees from UK and European Union students	1,261	1,625
Tuition fees from overseas students	362	289
Other fees	343	317
Other tuition income	455	190
	<u>2,421</u>	<u>2,421</u>

The above analysis includes fee income in respect of UK and European Union publicly funded students amounting to £1,636,000 (2008 - £1,588,000).

<b>2 RESEARCH GRANTS AND CONTRACTS</b>	<b>£000</b>	<b>£000</b>
Research councils	33	33
UK based charities	-	-
European commission	-	-
Other grants and contracts	-	-
	<u>33</u>	<u>33</u>

<b>3 OTHER OPERATING INCOME</b>	<b>£000</b>	<b>£000</b>
Residential income from college members	1,873	1,742
Conference and function income	622	685
Grants and donations	645	282
Release of deferred capital contributions	68	45
Other income	42	144
	<u>3,250</u>	<u>2,898</u>

<b>4 ENDOWMENT RETURN AND INTEREST RECEIVABLE</b>	<b>£000</b>	<b>£000</b>
Transferred from specific endowments (note 16)	323	364
Transferred from general endowments (note 16)	556	633
Other investment income	67	154
Other interest receivable	2	2
	<u>948</u>	<u>1,153</u>

<b>5 STAFF COSTS</b>	<b>£000</b>	<b>£000</b>
Gross pay	3,355	3,158
Social Security costs	234	219
Other pension costs	397	322
Other benefits	16	17
	<u>4,002</u>	<u>3,716</u>

It is recommended 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.

**ST EDMUND HALL**  
**Notes to the Financial Statements**  
**Year ended 31 July 2009**

**6 ANALYSIS OF EXPENDITURE**

	Staff costs £000	Depreciation £000	Other operating expenses £000	<b>2009</b> Total £000	2008 Total £000
Academic	1,531	-	518	2,049	1,923
Residences, catering and conferences	1,756	57	854	2,667	2,390
Premises	220	264	481	965	834
College administration	349	17	247	613	588
Endowment management	19	-	84	103	103
Fundraising	121	-	57	178	171
Other	6	-	21	27	22
	<u>4,002</u>	<u>338</u>	<u>2,262</u>	<u>6,602</u>	<u>6,031</u>

Interest payable				2	4
Contribution under Statute XV				(1)	1

<b>Total expenditure</b>				<u>6,603</u>	<u>6,036</u>
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	<b>2009</b> £000	2008 £000
Interest payable relates to bank overdraft and other loans repayable within 5 years	<u>2</u>	<u>4</u>
Other operating expenses include auditors' remuneration:		
in respect of the audit of these financial statements	13	12
in respect of other services	<u>-</u>	<u>-</u>

The above analysis includes expenditure in respect of UK and European Union publicly funded students amounting to £1,636,000 (2008 - £1,588,000).

**7 TAXATION**

	£000	£000
United Kingdom corporation tax	<u>-</u>	<u>-</u>

**8 SURPLUS FOR THE YEAR**

	£000	£000
College's surplus for the year	<u>50</u>	<u>476</u>

**ST EDMUND HALL**  
**Notes to the Financial Statements**  
**Year ended 31 July 2009**

**9 TANGIBLE FIXED ASSETS**

	<b>Freehold land and buildings</b>	<b>Equipment</b>	<b>Total</b>
	£000	£000	£000
<b>Cost</b>			
At start of year	14,063	953	15,016
Additions	396	104	500
At end of year	<u>14,459</u>	<u>1,057</u>	<u>15,516</u>
<b>Depreciation</b>			
At start of year	3,254	710	3,964
Charge for period	264	74	338
At end of year	<u>3,518</u>	<u>784</u>	<u>4,302</u>
<b>Net book value</b>			
At end of year	<u>10,941</u>	<u>273</u>	<u>11,214</u>
At start of year	<u>10,809</u>	<u>243</u>	<u>11,052</u>

**10 FIXED ASSET INVESTMENTS**

	<b>2009</b>	<b>2008</b>
	£000	£000
At cost		
Investment in subsidiary company	<u>-</u>	<u>-</u>

The College owns 100% of the issued share capital of St Edmund Hall Enterprises Limited, a company incorporated in England and Wales. This is a dormant company.

**11 ENDOWMENT ASSET INVESTMENTS**

	<b>Securities &amp; cash</b>	<b>Land &amp; property</b>	<b>Total</b>
	£000	£000	£000
<b>At market value</b>			
At start of year	25,776	1,795	27,571
Purchases at cost	11,495	-	11,495
Sales proceeds	(6,542)	-	(6,542)
Increase in cash held by fund manager	(4,613)	-	(4,613)
Revaluation losses	(2,810)	166	(2,644)
At end of year	<u>23,306</u>	<u>1,961</u>	<u>25,267</u>
Analysed as			
Fixed interest stocks (listed)	1,028		
Equities (listed)	18,761		
Unlisted securities	205		
Cash (including cash in transit)	3,312		
	<u>23,306</u>		
Historical cost at end of year	<u>22,647</u>		

The land and property was valued at 31 July 2009 by a firm of Chartered Surveyors Cluttons Styles & Whitlock, the basis being market value.

**ST EDMUND HALL**  
**Notes to the Financial Statements**  
**Year ended 31 July 2009**

<b>12 DEBTORS</b>	<b>2009</b>	<b>2008</b>
	<b>£000</b>	<b>£000</b>
Amounts falling due within one year		
Trade debtors	197	296
Amounts owed by College members	81	54
Loans	6	4
Prepayments and accrued income	132	108
Amounts falling due after one year	3	8
Loans		
	<u>419</u>	<u>470</u>
<b>13 CREDITORS: AMOUNT FALLING DUE WITHIN ONE YEAR</b>	<b>£000</b>	<b>£000</b>
Bank loans and overdrafts	69	87
Unsecured loans	20	20
Trade creditors	286	359
College Contribution	1	3
Other taxation and social security	16	12
Amounts owed to College members	95	95
Accruals and deferred income	237	171
	<u>724</u>	<u>747</u>
<b>14 CREDITORS: AMOUNT FALLING DUE AFTER MORE THAN ONE YEAR</b>	<b>£000</b>	<b>£000</b>
Bank loans	60	80
Amounts owed to College members	20	20
	<u>80</u>	<u>100</u>
<b>15 DEFERRED CAPITAL</b>		<b>£000</b>
At start of year		3,402
Transfer from Specific Endowments		-
New capital		303
Released to income and expenditure account		(68)
<b>At end of year</b>		<u>3,637</u>

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

**ST EDMUND HALL**  
**Notes to the Financial Statements**  
**Year ended 31 July 2009**

**16 ENDOWMENTS**

	Specific	General	Total
	£000	£000	£000
At start of year	10,448	17,124	27,572
Endowments received	153	376	529
Appreciation of endowment investments	(920)	(1,724)	(2,644)
Income receivable from endowment asset investments	334	556	890
Transferred to income and expenditure account (note 4)	(323)	(556)	(879)
Transfer to reserves (see note 17)	(201)		(201)
<b>At end of year</b>	<b>9,491</b>	<b>15,776</b>	<b>25,267</b>

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 are those 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 specific purpose by the Governing Body.

The transfer to reserves of £201k represents a transfer of £72k no longer deemed to be specific endowment, and £129k being past donations for undergraduate bursaries that have now been spent.

**17 RESERVES**

**DESIGNATED RESERVES**

	£000
At start of year	20
<b>At end of year</b>	<b>20</b>

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.

**GENERAL RESERVES**

	£000
At start of year	8,093
Transfer from specific endowment	201
Surplus from income and expenditure account	50
Net transfers (to)/from reserves	-
<b>At end of year</b>	<b>8,344</b>

	<b>2009</b>	2008
	£000	£000
Representing:		
Undepreciated cost of tangible fixed assets financed out of general reserve	7,497	7,550
College general reserve	847	542
	<b>8,344</b>	<b>8,092</b>



**ST EDMUND HALL**  
**Notes to the Financial Statements**  
**Year ended 31 July 2009**

<b>18 CAPITAL COMMITMENTS</b>	<b>2009</b>	2008
	£000	£000
Commitments contracted at 31 July	<u>-</u>	<u>-</u>

**19 FINANCIAL COMMITMENTS**

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

	£000	£000
Expiring within one year	2	1
Expiring between two and five years inclusive	-	2
Expiring in over five years	-	-
	<u>2</u>	<u>3</u>

**20 POST BALANCE SHEET EVENTS**

There have been no material post balance sheet events.

**21 CONTINGENT LIABILITIES**

There were no contingent liabilities at 31 July 2009.

**22 RELATED PARTY TRANSACTIONS**

St Edmund Hall is recognised as a college of the University of Oxford and is part of the collegiate University. Material inter-dependencies of the University and the other colleges 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 FRS8 ("Related party disclosures").

Members of the Governing Body receive remuneration as employees of St Edmund Hall. Normal remuneration of, and standard arrangements with, members of the Governing Body are not treated as related party transactions.

**ST EDMUND HALL**  
**Notes to the Financial Statements**  
**Year ended 31 July 2009**

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

	<b>2009</b>	2008
	£000	£000
Surplus for the year	50	476
Depreciation	338	323
Deferred Capital Released to income (see note 3)	(68)	(45)
Endowment income and interest receivable	(948)	(1,153)
Interest payable	2	4
Decrease in stocks	8	19
Decrease (increase) in debtors	52	(29)
(Decrease) increase in creditors	(6)	77
	<u>(572)</u>	<u>(328)</u>

**24 MANAGEMENT OF LIQUID RESOURCES**

	£000	£000
Net sale/(purchase) of investments	(140)	44
	<u>(140)</u>	<u>44</u>

**25 FINANCING**

	£000	£000
Repayments of amounts borrowed	(20)	(20)
	<u>(20)</u>	<u>(20)</u>

**26 ANALYSIS OF CHANGES IN NET FUNDS**

	<b>2009</b>	<b>Changes</b>	2008
	£000	£000	£000
Cash at bank and in hand	884	200	684
Endowment assets cash	3,312	(4,614)	7,926
Bank overdrafts	(69)	18	(87)
	<u>4,127</u>	<u>(4,396)</u>	<u>8,523</u>
Current asset investments	140	140	-
Debt due within 1 year	416	(46)	462
Debt due after 1 year	3	(5)	8
	<u>4,686</u>	<u>(4,307)</u>	<u>8,993</u>

**ST EDMUND HALL**  
**Notes to the Financial Statements**  
**Year ended 31 July 2009**

**27 PENSION SCHEMES**

1. The schemes

The two principal pension schemes for the College's staff are the Universities Superannuation Scheme (USS) and the University of Oxford Staff Pension Scheme (OSPS). The schemes are contributory, are contracted out from the State Second Pension Scheme, and provide benefits based on length of service and final pensionable salary. The assets of USS and OSPS are each held in separate trustee-administered funds. Both schemes are multi-employer schemes and the College is unable to identify its share of the underlying assets and liabilities of each scheme on a consistent and reasonable basis. Therefore, as required by 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.

2. Actuarial valuations

The Schemes are periodically valued by qualified actuaries. Both USS and OSPS were valued using the "projected unit" method, embracing a market value approach. The financial assumptions were derived from market conditions prevailing at the valuation date. The assumptions which have the most significant effect on the results of the latest valuations and the determination of the contribution levels were those relating to the rate of return on investments (i.e. the valuation rate of interest), the rates of increase in salaries and pensions and the assumed rates of mortality, as shown in the following table.

	<b>USS</b>	<b>OSPS</b>
Date of valuation - see note a	31/03/2008	31/07/2007
Date of valuation results published	04/02/2009	09/10/2008
Value of liabilities	£28,135m	£322m
Value of assets	£28,842m	£279m
Funding Surplus/(Deficit) - see notes b and c	£707m	(£43m)
<b>Principal Assumptions</b>		
Rate of interest (past service liabilities)	4.4%	-
Rate of interest (future service liabilities)	6.1%	-
Rate of interest (periods up to retirement)	-	6.9%
Rate of interest (periods after retirement)	-	4.9%
Rate of increase in salaries	4.3%	4.8%
Rate of increase in pensions	3.3%	3.3%
<b>Mortality Assumptions</b>		
Assumed life expectancy at age 65 (males)	23 yrs	22 yrs
Assumed life expectancy at age 65 (females)	25 yrs	24 yrs
<b>Funding Ratios:</b>		
Technical Provisions basis - see note d	103%	87%
Statutory Pension Protection Fund basis	107%	95%
"Buy out" basis	79%	71%
Estimated FRS 17 basis	104%	89%
Recommended Employer's contribution rate (as % of pensionable salaries) (see notes c & e)	16%	21.5%
Effective date of next valuation - see note a	31/03/2011	31/07/2010

**Notes**

- a. USS's 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's actuary recommended, and the Trustee agreed, that the ongoing funding surplus could be carried forward to the next valuation.

**ST EDMUND HALL**  
**Notes to the Financial Statements**  
**Year ended 31 July 2009**

- c. OSPS's 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 valuation was 16.0% of the 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.

**3. Sensitivity of actuarial 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 schemes 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 valuation, rated down by a further year)	increase by £1.6bn	increase by £10m

**4. Withdrawal of employer from scheme**

USS is a "last man standing" scheme so that 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 participant 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.

**5. 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	Year to	Year to
	31/07/2009	31/07/2008
	£000	£000
Universities Superannuation Scheme	£170	£151
College of Oxford Staff Pension Scheme	£221	£165
Other Scheme Contributions	£6	£6
<b>Total</b>	<b>£397</b>	<b>£322</b>