

ST HUGH'S COLLEGE

Report and Financial Statements
for the Year Ended 31 July 2009

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ST HUGH'S COLLEGE

Report of the Governing Body

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

Status

St Hugh's College was opened as St Hugh's Hall in 1886 by Miss Elizabeth Wordsworth. It was constituted under a Deed of Trust in 1894. In 1911 it was incorporated as St Hugh's College under the Companies (Consolidation) Act 1908. Its present corporate status is derived from a Royal Charter granted in 1926. The corporation comprises the Principal and Fellows. The College is an exempt charity under s3(5a) Charities Act 1993 (as listed in Schedule 2(b) to that Act).

Objects

The College exists to provide and promote undergraduate and graduate education within the University of Oxford, and to provide and promote university academic research. Within these Objects, the College 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 Principal and Fellows. This body is constituted and regulated in accordance with the College Statutes, the terms of which are enforceable ultimately by the Visitor, Lord Rodger of Earlsferry. The College Statutes are as made from time to time by order of Her Majesty in Council in accordance with the Royal Charter of 1926 and the Universities of Oxford and Cambridge Act 1923. 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 advised by a range of committees.

Scope of financial statements

The financial statements comprise the accounts of the College, and have been 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 Regulations for accounts of the colleges made thereunder.

Review of operations and finance

The College generated a surplus of £361,020(2008: deficit of £30,516) and an overall cash inflow of £546,963 (2008:outflow of £476,782).

Investment performance

The College's investments have remained in indexed funds and the market value has decreased by 6.6% over the year. The investment return for the year was 3.3% of the average market value of the investments against a target rate of 3.5%.

Reserves

The balance on reserves at the year end amounted to £6,623,099 (note 16). After allowing for the amounts invested in designated reserves for special purposes, the College's general reserve was £4,580,289. The Governing Body continues to review the level of reserves that should be maintained to allow the College to be managed efficiently.

Risk management

The major risks to which the College is exposed have been reviewed by the Governing Body and will continue to be reviewed on a regular basis.

Approved by the Governing Body on 4 November 2009

A Dilnot, Principal

ST HUGH'S 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 affairs of the College.

The Governing Body is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the College. It is also required to present audited financial statements for each year which give a true and fair view of the state of affairs of the College and of its surplus or deficit and cash flows for that period. The Governing Body is responsible for ensuring that the financial statements are 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 Regulations for accounts of the colleges made thereunder, the Statement of Recommended Practice: Accounting for Further and Higher Education (2003) and other relevant accounting standards.

In preparing those financial statements, the Governing Body is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the College will continue in business.

The Governing Body has taken reasonable steps to:

- ensure that funds received from the University of Oxford out of grants from the Higher Education Funding Council for England are used only for the purposes for which they have been given;
- safeguard the assets of the College and to prevent and detect fraud and other irregularities;
- 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 that are charitable in law.

REPORT OF THE INDEPENDENT AUDITORS TO THE GOVERNING BODY OF ST HUGH'S COLLEGE

We have audited the financial statements of St Hugh's College for the year ended 31 July 2009 which comprise the principal accounting policies, the consolidated income and expenditure account, the consolidated statement of total recognised gains and losses, the balance sheets, the consolidated cash flow statement and related notes. 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. 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 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, 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
Chartered Accountants
Statutory Auditors

OXFORD

ST HUGH'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 both applicable accounting standards and, according to the University of Oxford Statute XV to meet specific requirements imposed by the 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 accounts of the affiliated student bodies and junior, middle and senior common rooms have not been consolidated because the College does not control these activities.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the College and its subsidiary St Hugh's Conferences Limited. A separate income and expenditure account dealing with the results of the College has not been presented. The results of any other undertakings in which the College has a participating interest have been excluded from the consolidation on the grounds that they are not material to a true and fair view.

Recognition of income

Fees and other income for services provided are credited to the income and expenditure account on a receivable basis.

Income from restricted sources (excluding endowments) is included to the extent of the relevant expenditure incurred during the year.

Income from general endowments is credited to the income and expenditure account in line with the amounts earned by the underlying investments in the year. Periodically, the College withdraws funds from the general endowment reserves, but such withdrawals are calculated so as not to diminish the original capital value of the funds.

Income from specific endowments is taken to the income and expenditure account in the year of receipt. Any unspent income is transferred to the specific endowment reserve by way of a reserve transfer.

General donations

Unrestricted donations and benefactions are credited to the income and expenditure account on receipt.

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. Variations from the regular cost are spread over the expected average remaining working lives of members of the 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	50 years
Building improvements	15 years
Equipment	3 - 10 years

Freehold land is not depreciated. The opening figure for freehold land and buildings at historic cost has been arrived at by summing the figures for capital expenditure stated in the previous form of accounts for the 25 years prior to 31 July 2002. It is assumed that any property acquired prior to this has a negligible net book value (including the main college buildings).

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

The College operates a "de minimis" limit of £10,000 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.

Assets under construction are accounted for at cost, based on the value of architects' certificates and other direct costs, incurred to 31 July. They are not depreciated until they are brought into use

ST HUGH'S COLLEGE
Statement of Principal Accounting Policies

Investments

Endowment asset investments are included in the balance sheet at market value. Current asset investments are included at the lower of cost and net realisable 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 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 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.

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.

Cash

Cash for the purposes of the cash flow statement comprises cash in hand and cash deposits receivable on demand less overdrafts repayable on demand.

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

	Notes	2009 £'000	2008 £'000
INCOME			
Academic fees, tuition income and other HEFCE support	1	2,731	2,445
Research grants and contracts	2	0	0
Other operating income	3	4,638	3,933
Endowment return and interest receivable	4	789	904
Total income		<u>8,158</u>	<u>7,282</u>
EXPENDITURE			
Staff costs	5	3,988	3,751
Depreciation		711	674
Other operating expenses		2,853	2,561
Interest payable		267	349
Contribution under Statute XV		0	0
Total expenditure	7	<u>7,819</u>	<u>7,335</u>
Surplus/(deficit) for the year on continuing operations		<u>339</u>	<u>(53)</u>
Transfer from endowment reserves	10	22	23
Surplus/(deficit) for the year retained in reserves		<u>361</u>	<u>(30)</u>

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

	Notes	2009 £'000	2008 £'000
Reserves			
Deficit for the year retained in general reserves		(695)	(358)
Transfer to designated reserves		1,056	328
Surplus/(deficit) for the year retained in reserves		<u>361</u>	<u>(30)</u>
Endowments			
Depreciation of endowment asset investments	15	(1,319)	(2,294)
New endowments received	15	242	234
Overspent specific endowment income	10	(22)	(23)
Total recognised losses relating to the year		<u>(738)</u>	<u>(2,113)</u>
Reconciliation of reserve movement			
Opening fund balances		26,537	28,650
Total recognised losses relating to the year		(738)	(2,113)
Closing fund balances		<u>25,799</u>	<u>26,537</u>

ST. HUGH'S COLLEGE
Balance Sheets
As at 31 July 2009

	Notes	CONSOLIDATED		COLLEGE	
		2009	2008	2009	2008
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	8	11,735	11,816	11,735	11,816
Investments	9	86	86	86	86
		<u>11,821</u>	<u>11,902</u>	<u>11,821</u>	<u>11,902</u>
Endowment asset investments					
Securities and cash deposits	10	19,176	20,275	19,176	20,275
		<u>19,176</u>	<u>20,275</u>	<u>19,176</u>	<u>20,275</u>
Current assets					
Stocks		130	120	130	120
Debtors	11	557	701	516	657
Short term investments		1,128	1,347	1,128	1,347
Cash at bank and in hand		273	2	271	2
		<u>2,088</u>	<u>2,170</u>	<u>2,045</u>	<u>2,126</u>
Creditors					
Amounts falling due within one year	12	(1,566)	(1,592)	(1,523)	(1,548)
		<u>522</u>	<u>578</u>	<u>522</u>	<u>578</u>
Net current assets					
		<u>522</u>	<u>578</u>	<u>522</u>	<u>578</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		31,519	32,755	31,519	32,755
Creditors					
Amounts falling due after more than one year	13	(5,622)	(6,070)	(5,622)	(6,070)
Provisions for liabilities and charges	14	(98)	(148)	(98)	(148)
		<u>25,799</u>	<u>26,537</u>	<u>25,799</u>	<u>26,537</u>
TOTAL NET ASSETS		25,799	26,537	25,799	26,537
Endowments					
Specific		11,543	12,161	11,543	12,161
General		7,633	8,114	7,633	8,114
	15	<u>19,176</u>	<u>20,275</u>	<u>19,176</u>	<u>20,275</u>
Reserves					
Designated reserves	16	2,043	987	2,043	987
General reserves	16	4,580	5,275	4,580	5,275
		<u>6,623</u>	<u>6,262</u>	<u>6,623</u>	<u>6,262</u>
TOTAL FUNDS		25,799	26,537	25,799	26,537

Approved by the Governing Body on 4 November 2009 and signed on its behalf by:

A Dilnot, Principal

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

	Note	2009 £'000	2008 £'000
Net cash inflow from operating activities	21	<u>742</u>	<u>171</u>
Returns on investments and servicing of finance			
Income from endowments received		655	757
Other income from investments and interest received		<u>134</u>	<u>147</u>
		789	904
Interest paid		(267)	(349)
Net cash inflow from returns on investments and servicing of finance		<u>522</u>	<u>556</u>
Taxation		0	0
Capital expenditure and financial investment			
Net acquisition of tangible fixed assets		(630)	(2,272)
Net acquisition of endowment asset investments		(161)	(224)
Endowments received		242	234
Net cash outflow from capital expenditure and financial investment		<u>(549)</u>	<u>(2,262)</u>
Net cash inflow/(outflow) before use of liquid resources and financing		715	(1,535)
Management of liquid resources			
Net disposal of short term investments		219	196
Financing	22	(388)	863
Increase/(decrease) in cash		<u>546</u>	<u>(477)</u>
Reconciliation of net cash flow to movement in net debt			
Increase/(Decrease) in cash for the year		546	(477)
Management of liquid resources		(219)	(196)
Financing		388	(863)
Change in net debt		715	(1,535)
Net debt at 1 August		(4,753)	(3,218)
Net debt at 31 July	23	<u>(4,038)</u>	<u>(4,753)</u>

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

	2009 £'000	2008 £'000
1 ACADEMIC FEES AND TUITION INCOME		
Tuition fees from UK and European Union students	1,262	1,708
Tuition fees from overseas students	619	382
Other fees	8	1
Other tuition income and HEFCE support	842	354
	<u>2,731</u>	<u>2,445</u>
The above analysis includes support from the University from HEFCE funds amounting to £1,676,376 (2008:£1,432,330).		
2 RESEARCH GRANTS AND CONTRACTS	£'000	£'000
Research councils	0	0
Other grants and contracts	0	0
	<u>0</u>	<u>0</u>
3 OTHER OPERATING INCOME	£'000	£'000
Residential income from College members	1,795	1,735
Conference and function income	1,242	1,178
Grants and donations	1,341	766
Other income	260	254
	<u>4,638</u>	<u>3,933</u>
4 ENDOWMENT RETURN AND INTEREST RECEIVABLE	£'000	£'000
Transferred from specific endowments (note 15)	391	454
Transferred from general endowments (note 15)	264	303
Other investment income	134	147
	<u>789</u>	<u>904</u>
5 STAFF COSTS	£'000	£'000
Gross pay	3,376	3,189
Social Security costs	234	223
Other pension costs	353	336
Other benefits	25	3
	<u>3,988</u>	<u>3,751</u>

6 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.

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

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

6 PENSION SCHEMES (CONTINUED)

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

In addition, the College is also contributing to the personal pension arrangements of certain staff who were ineligible to join USS and OSPS.

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 deficiencies in each scheme. The financial assumptions were derived from market conditions prevailing at the valuation date. The results of the latest 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:	31/03/2008(a)	31/07/2007
Date valuation results published:	04/02/2009	09/10/2008
Value of liabilities:	£28,135m	£322m
Value of assets:	£28,842m	£279m
Funding Surplus/(Deficit)	£707m(b)	(£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	4.9%pa
Rate of increase in salaries	4.8%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)	23yrs	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	31/03/2011(a)	31/03/2010

Notes:

a. USS' actuary will undertake 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, the nature of the demographic and financial assumptions used in the ongoing and solvency valuations, the significant positive cash flows and equity oriented investment strategy, USS' actuary recommended, and the Trustee agreed, that the small ongoing funding surplus could be carried forward to the next valuation.

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

6 PENSION SCHEMES (CONTINUED)

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% 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.

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

The pension charge recorded by the College during the accounting period was equal to the contributions payable (after the release of £49,240 of the pension provision for OSPS) as follows:

	2009 £'000	2008 £'000
Scheme		
Universities Superannuation Scheme	246	203
College of Oxford Staff Pension Scheme	104	129
Other Schemes - contributions	3	4
	<u>353</u>	<u>336</u>

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

7 ANALYSIS OF EXPENDITURE

	Staff costs £'000	Depreciation £'000	Other operating expenses £'000	2009 Total £'000	2008 Total £'000
Academic	1,839	0	652	2,491	2,222
Residences, catering and conferences	1,202	0	1,314	2,516	2,070
Premises	364	555	526	1,445	1,430
College administration	439	156	100	695	781
Fundraising	130	0	131	261	254
Other	14	0	125	139	233
Bad debts	0	0	5	5	(4)
	<u>3,988</u>	<u>711</u>	<u>2,853</u>	<u>7,552</u>	<u>6,986</u>
Interest payable				267	349
Contribution under Statute XV				0	0
Total expenditure				<u>7,819</u>	<u>7,335</u>
Interest payable relates to -				£'000	£'000
Bank loans, overdrafts and other loans:					
Repayable within 5 years				0	0
Repayable wholly or partly in more than 5 years				267	349
				<u>267</u>	<u>349</u>
Other operating expenses include auditors' remuneration:					
in respect of the audit of these financial statements				17	19
in respect of other services				0	0
				<u>17</u>	<u>19</u>

Some buildings included with freehold land and buildings are used alternately for College purposes and for third-party rental. Income from such let property was £215,722 (2008: £201,472).

The above analysis includes expenditure in respect of UK and European Union students met by publicly funded fee income amounting to £1,676,376 (2008 £1,564,991).

8 TANGIBLE FIXED ASSETS

	CONSOLIDATED			COLLEGE		
	Land & buildings Freehold £'000	Equipment £'000	Total £'000	Land & buildings Freehold £'000	Equipment £'000	Total £'000
Cost						
At start of year	16,169	1,205	17,374	16,169	1,205	17,374
Additions	507	123	630	507	123	630
Disposals	0	0	0	0	0	0
At end of year	<u>16,676</u>	<u>1,328</u>	<u>18,004</u>	<u>16,676</u>	<u>1,328</u>	<u>18,004</u>
Depreciation						
At start of year	4,935	623	5,558	4,935	623	5,558
Charge for year	555	156	711	555	156	711
On disposals	0	0	0	0	0	0
At end of year	<u>5,490</u>	<u>779</u>	<u>6,269</u>	<u>5,490</u>	<u>779</u>	<u>6,269</u>
Net book value						
At end of year	<u>11,186</u>	<u>549</u>	<u>11,735</u>	<u>11,186</u>	<u>549</u>	<u>11,735</u>
At start of year	<u>11,234</u>	<u>582</u>	<u>11,816</u>	<u>11,234</u>	<u>582</u>	<u>11,816</u>

Freehold land and buildings represent the construction of buildings and significant refurbishment work undertaken since 1978. Buildings acquired prior to this date, including the main college site are deemed to have been fully written down. Included in additions are assets under construction which are not yet being depreciated amounting to £92,786 (2008: £24,031).

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9 FIXED ASSET INVESTMENTS

	CONSOLIDATED		COLLEGE	
	2009	2008	2009	2008
	£'000	£'000	£'000	£'000
Investments stated at cost	86	86	86	86
Loss on revaluation	0		0	0
Revalued investment	<u>86</u>	<u>86</u>	<u>86</u>	<u>86</u>

The College has investments in the following companies, both of which are registered in England and Wales:

Name	Holding	Activity
Boathouse Consortium Limited	33% ordinary shares	Boathouse administration
St Hugh's Conferences Limited	100% ordinary shares	Conference organisation

At 31 July 2009 Boathouse Consortium Limited had net assets of £229,982 (2008: £239,704) and made a loss of £9,703 (2008: £9,703). A loan due from the company of £13,799 (2008: £13,799) is included in debtors (note 11).

The College has not consolidated its share of the results of this company on the grounds of materiality.

10 ENDOWMENT ASSET INVESTMENTS

CONSOLIDATED AND COLLEGE

	Securities and other assets	
	2009 £'000	2008 £'000
At market value		
At start of year	20,275	22,358
New endowments received	242	234
Revaluation losses	(1,319)	(2,294)
Overspent specific endowment income	(22)	(23)
At end of year	<u>19,176</u>	<u>20,275</u>
Analysed as		
Fixed interest stocks (listed)	4,274	5,128
Equities (listed)	14,408	15,158
Property	839	688
Other net assets	627	675
Cash	476	417
	<u>20,624</u>	<u>22,066</u>
Less: belonging to Reserve Fund	<u>(1,448)</u>	<u>(1,791)</u>
	<u>19,176</u>	<u>20,275</u>

The reserve fund of £1,448,444 represents the market value of assets held by the College within current asset investments at a cost of £1,073,362.

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11 DEBTORS

	CONSOLIDATED		COLLEGE	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Amounts falling due within one year				
Trade debtors	271	365	231	324
Loans	12	7	12	7
Amounts owed by group undertakings	0	0	0	3
Other debtors	0	9	0	9
Prepayments and accrued income	145	191	144	185
Amounts falling due after one year				
Loans	129	129	129	129
	<u>557</u>	<u>701</u>	<u>516</u>	<u>657</u>

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	CONSOLIDATED		COLLEGE	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Bank loans and overdrafts	293	449	293	449
Trade creditors	734	590	734	588
Other taxation and social security	87	80	73	76
Other creditors	297	237	271	202
Amounts owed to group undertakings	0	0	9	0
Accruals and deferred income	155	236	143	233
	<u>1,566</u>	<u>1,592</u>	<u>1,523</u>	<u>1,548</u>

13 CREDITORS: AMOUNT FALLING DUE AFTER MORE THAN ONE YEAR

	CONSOLIDATED			
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Bank loans	<u>5,622</u>	<u>6,070</u>	<u>5,622</u>	<u>6,070</u>
Analysis of borrowings				
Amounts falling due:				
Within one year	200	140	200	140
Between one and two years	180	140	180	140
Between two and five years	480	420	480	420
After more than five years	<u>4,962</u>	<u>5,510</u>	<u>4,962</u>	<u>5,510</u>
	<u>5,822</u>	<u>6,210</u>	<u>5,822</u>	<u>6,210</u>

The College has three bank loans. One is secured on various of the College's properties, is repayable by 31 March 2023 and bears interest at a rate of 0.5% above LIBOR. The second loan is repayable on 30 September 2019 and bears interest at a rate of 0.5% above LIBOR. The third loan is repayable by 2029 and bears interest at a rate of 0.275% above base rate. The College also has a loan from the University of Oxford for £180,000. This is repayable in 8 installments of £30,000 on the anniversary of the loan and bears interest at one third of the Bristol & West standard variable rate.

14 PROVISIONS FOR LIABILITIES AND CHARGES

	CONSOLIDATED		COLLEGE	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
At start of year	148	148	148	148
Transfer to reserves	<u>(50)</u>	<u>0</u>	<u>(50)</u>	<u>0</u>
At end of year	<u>98</u>	<u>148</u>	<u>98</u>	<u>148</u>

The provision relates to pension costs for the Oxford Staff Pension Scheme (note 6).

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15 ENDOWMENTS

CONSOLIDATED AND COLLEGE

	Specific £'000	General £'000	Total £'000
At start of year	12,161	8,114	20,275
Endowments received	163	79	242
Depreciation of endowment investments	(759)	(560)	(1,319)
Income receivable from endowment asset investments	391	264	655
Over spent general endowment income		22	22
Transferred to income and expenditure account	(413)	(286)	(699)
At end of year	11,543	7,633	19,176

Endowments comprise those funds that are regarded as for the long term and that 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 that 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.

16 RESERVES

DESIGNATED RESERVES

	CONSOLIDATED		COLLEGE	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
At start of year	987	660	987	660
Transfers from general reserve	1,244	451	1,244	451
Transfers to general reserve	(188)	(123)	(188)	(123)
At end of year	2,043	987	2,043	987

Designated reserves are those reserves set aside by the College to be used for the purposes for which they were given and that do not form part of College endowments. At 31 July 2009 they comprised:

	CONSOLIDATED		COLLEGE	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Reserve for refurbishment and development of buildings	1,875	777	1,875	777
Reserve for student support	106	179	106	179
Reserve for career development fellowships	62	32	62	32
	2,043	988	2,043	988

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16 RESERVES (CONTINUED)

GENERAL RESERVES	CONSOLIDATED		COLLEGE	
	2009	2008	2009	2008
	£'000	£'000	£'000	£'000
At start of year	5,275	5,633	5,275	5,633
Surplus/(deficit) from income and expenditure account	361	(30)	361	(30)
Transfers from designated reserves	188	123	188	123
Transfers to designated reserves	(1,244)	(451)	(1,244)	(451)
At end of year	4,580	5,275	4,580	5,275
Representing:				
Undepreciated cost of tangible fixed assets financed out of general reserve	5,913	5,606	5,913	5,606
General reserve	(1,333)	(331)	(1,333)	(331)
	4,580	5,275	4,580	5,275

17 CAPITAL COMMITMENTS

There were capital commitments totalling £366,078 as at 31 July 2009 (2008: £82,725).

18 FINANCIAL COMMITMENTS

At 31 July 2009 the College had annual commitments under non-cancellable operating leases as follows:

	2009	2008
	£'000	£'000
Land and buildings		
Expiring within one year	0	0
Expiring between two and five years inclusive	0	0
Expiring in over five years	0	0
	<u>0</u>	<u>0</u>
Other		
Expiring within one year	0	1
Expiring between two and five years inclusive	12	12
Expiring in over five years	0	0
	<u>12</u>	<u>13</u>

19 CONTINGENT LIABILITIES

No material financial liabilities are anticipated.(2008: £NIL).

20 RELATED PARTY TRANSACTIONS

Administration services are provided for College members, the cost of which is recovered in full. There is one housing loan to a fellow of the College for £35,882 (2008:one loan of £35,882).

21 RECONCILIATION OF CONSOLIDATED OPERATING SURPLUS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2009	2008
	£'000	£'000
Surplus/(deficit) for the year	361	(30)
Depreciation	711	674
Endowment income and interest receivable	(811)	(927)
Interest payable	267	349
(Increase)/decrease in stocks	(10)	2
Decrease in debtors	144	27
Increase in creditors	130	77
Decrease in provisions	(50)	0
Net cash flow from operating activities	742	171

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22 FINANCING

	2009 £'000	2008 £'000
New loans	0	1,000
Repayments of amounts borrowed	(388)	(137)
	<u>(388)</u>	<u>863</u>

23 ANALYSIS OF CHANGES IN NET FUNDS

	2009 £'000	Changes £'000	2008 £'000
Cash at bank and in hand	273	271	2
Endowment assets cash	476	59	417
Bank overdrafts	(93)	191	(284)
	<u>656</u>	<u>521</u>	<u>135</u>
Current asset investments	1,128	(219)	1,347
Debt due within 1 year	(200)	(35)	(165)
Debt due after 1 year	(5,622)	448	(6,070)
	<u>(4,038)</u>	<u>715</u>	<u>(4,753)</u>