
WADHAM COLLEGE

Report and Financial Statements

Year Ended 31 July 2009

Wadham College
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WADHAM COLLEGE

Report of the Governing Body

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

Status

Wadham College is an eleemosynary chartered charitable corporation founded by royal charter in 1610. The corporation comprises the Warden, Fellows and Scholars. At 31 July 2009 the college was an exempt charity under the Charities Act 1993 but under the Charities Act 2006 it was scheduled to lose its exempt status in November 2009, though this date has recently been put back to early 2010. The College is actively engaged in the process of registration with the Charity Commission by which it is in future to be regulated.

Objects

The preamble to the College's statutes recite the objects laid down in the 1610 charter. They are 'to the praise, glory and honour of Almighty God, the increase of good learning and the common benefit of this realm'. The College provides and promotes undergraduate and graduate education within the University of Oxford and provides and promotes academic research for the public benefit.

Governance

The Governing Body of the College comprises the Warden and Fellows. This body is constituted and regulated in accordance with the College Statutes, the terms of which are enforceable ultimately by the Visitor, the Bishop of Bath and Wells. The College Statutes are as made from time to time by order of Her Majesty in Council in accordance with 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 Warden and is advised by a range of committees, the principle ones being the Academic Policy Committee (to advise on all academic related issues), the Finance Committee (to advise on all financial matters), the Investment Committee (to advise on investment issues) and the Audit and Risk Committee (to advise on audit and risk issues).

Scope of financial statements

The financial statements consolidate the accounts of the College and its subsidiary undertaking, Wadham Energy Supplies Limited. The subsidiary was established to provide energy supplies for the College.

Review of operations and finance

The total complement of students was 623 (48% female, 52% male) comprising 450 Undergraduates and 173 Graduates together with 62 Fellows. 120 Undergraduates were awarded degrees, of which 39 were awarded 1st Class Honours and 72 Upper Seconds. Amongst the Graduate Students who finished their studies during the course of the year, 18 were awarded a DPhil and 32 other graduate degrees.

The College, together with its subsidiary and associated undertaking, generated a deficit of £205K (2007/08: £120K).

Total income for the year was £7,165K and total expenditure £7,370K including loss from associated company giving an operating deficit of £205K which was an increase of £85K over the previous year. Within total College income, 32% comes from tuition fees, 45% from conferences, accommodation charges and donations, the balance of total income, some 23%, is generated by the endowment. The College continues to rely on other sources of revenue apart from tuition fees to support its charitable objectives. Despite maintaining tight controls on expenditure, the College faced an unparalleled spike in energy costs during the year which was the main contributing factor to a 12% increase in operating expenses. Staff costs increased by some 4% reflecting higher academic stipends and an investment in the College's Development Department.

The College has continued to invest heavily in the main fabric of its buildings. During the year the refurbishment of the South Range, Front Quad, was completed at a cost of £5.4M. These works have provided 27 ensuite student rooms (including an equipped disabled room) plus 2 live-in Fellows' flats and

4 other Fellows' rooms. In addition, a large modern seminar room which can be split in two together with one further teaching room and a fully refurbished Lodge. The College regards this project as an important enhancement to student accommodation and teaching facilities, as well as an attractive addition to the conference business.

As well as major capital expenditure on buildings, the College spends an annual sum in excess of £500K in upgrading staircases and renewing services.

Investment performance

The market value of the endowment fell from £60.2M to £56.9M during the year, which is after £1,475K (2008:£892K) of new contributions. The total return on the endowment before spending was -5.6 % (2008:3.3%). The disappointing performance for the year reflected the continued financial uncertainty in world markets.

The Investment Committee which meets termly continues to review investment strategy and asset allocation. The endowment is invested in UK and overseas equities (through tracker funds), gilts, property and with the University. Going forward the Investment Committee will monitor and review performance, and make the necessary adjustments in order to protect the College's financial position.

During the course of the year the College introduced a Total Return Policy in respect of income from its general endowment. This Policy introduces a spending rule which currently permits the transfer of income of not more than 2.5% of the average opening value of the preceding three years. Income from the general endowment is not legally restricted to a specific purpose or activity. In the year to 31 July 2009, 2.5% of appropriately averaged endowment income was credited to the income and expenditure account. In total this amounted to £765k which was £383 more than net income earned on a receivable basis.

Capital commitments

The College has outstanding capital commitments for the refurbishment of student accommodation at its main site amounting to £250K at 31st July 2009.

Reserves

The balance on reserves at the year end amounted to £15.1M (2008: £15.4M).

Risk management

The Governing Body of the College has responsibility for maintaining a sound system of internal control that supports its policies, aims and objectives. The system of internal control is designed to manage rather than eliminate totally the risk of failure of policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The Audit and Risk Committee, of the College, has reviewed the College's risk register and amended its strategies for managing identified risks based on their perceived impact and probability.

The report of the Governing Body was approved by the Governing Body of Wadham College on November 2009.

*Sir Neil Chalmers
Warden*

WADHAM COLLEGE

Responsibilities of the Governing Body

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

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

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 has adequate resources to continue in operation for the foreseeable future; accordingly the financial statements are prepared on a going concern basis.

The Governing Body has taken reasonable steps to:

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

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

In so far as the Governing Body is aware:

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

Whilst the College is an exempt charity 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.

The responsibilities of Governing Body were approved by the Governing Body of Wadham College on November 2009

Sir Neil Chalmers
Warden

WADHAM COLLEGE

REPORT OF THE INDEPENDENT AUDITOR TO THE GOVERNING BODY OF WADHAM COLLEGE

We have audited the consolidated financial statements of Wadham 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 consolidated and College balance sheets, the consolidated cash flow statement, and notes 1 to 22. These financial statements have been prepared under the accounting policies set out therein.

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

Respective responsibilities of the Governing Body and Auditor

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

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the provisions of Statute XV made by the University of Oxford under the Universities of Oxford and Cambridge Act, 1923, and of regulations for the accounts of the colleges made 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 audits.

We read the Report of the Governing Body and 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.

WADHAM COLLEGE

Basis of opinion

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

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

Opinion

In our opinion:

- a) the financial statements give a true and fair view in accordance with UK GAAP of the state of the College's affairs at 31 July 2009 and of the deficit for the year then ended.
- b) the financial statements have been properly prepared in accordance with the provisions of Statute XV made by the University of Oxford under the Universities of Oxford and Cambridge Act, 1923, and of Regulations for the accounts of the colleges made 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.
- d) the information given in the Report of the Governing Body is consistent with the financial statements for the year ended 31 July 2009.

Grant Thornton UK LLP
Chartered Accountants and Registered Auditor
Oxford, England

November 2009

WADHAM 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 its subsidiary undertaking, Wadham Energy Supplies Limited using acquisition accounting. The accounts of the affiliated student bodies (the Student Union and the Middle Common Room) have not been consolidated because the College does not control these activities.

The College has an investment in an associated undertaking, Boathouse Consortium Limited. This investment is included in the consolidated financial statements using equity accounting.

Recognition of income

Donations, fees, recoverable VAT 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 are included to the extent of the relevant expenditure incurred during the year. The College accounts for its investment income on a Total Return basis.

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.

WADHAM COLLEGE
Statement of Principal Accounting Policies

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- 50 years
Equipment- 5 years

Freehold land is not depreciated.

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

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

Certain historic College buildings are included at a net value of £1 as, due to their age, their historic cost would be difficult to ascertain and they would also now be fully depreciated.

The College operates a "de minimis" limit of £5,000 for capitalisation of expenditure on building improvements and for equipment. Works of art and other valuable artefacts that can be regarded as inalienable are not included in the financial statements.

Investments

Listed endowment and fixed asset investments are included in the balance sheet at market value. Investment properties are also included at market value. The investment in the associated undertaking is included at cost, and provided against to equal the value of the College's share of its net assets.

Surpluses or deficits arising on the revaluation of endowment asset investments are added 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 defectives stocks.

Maintenance of premises

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

WADHAM 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.

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.

A purchase of energy was made from its subsidiary company, which, as a commercial organisation is liable to Corporation Tax. Profits made by this company are, however, transferred to the College by Gift Aid.

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 the University's Council and is accounted for in the period to which it relates.

WADHAM COLLEGE
Consolidated Income and Expenditure Account
Year ended 31 July 2009

	Notes	2009 £'000	2008 £'000
INCOME			
Academic fees and tuition income	1	2,315	2,358
Other operating income	2	3,247	3,017
Endowment return and interest receivable	3	1,603	1,404
Total income		<u>7,165</u>	<u>6,779</u>
EXPENDITURE			
Staff costs	4	4,001	3,844
Depreciation		466	549
Other operating expenses		2,808	2,502
Interest payable		36	0
Contribution under Statute XV		56	1
Total expenditure	6	<u>7,367</u>	<u>6,896</u>
Deficit for the year on continuing operations before taxation and disposal of fixed assets		(202)	(117)
Share of operating loss in Associated Undertaking		(3)	(3)
Deficit for the year after taxation	8	<u>(205)</u>	<u>(120)</u>
All of the above activities relate to continuing operations			

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

	Note	2009 £'000	2008 £'000
Reserves			
Deficit for the year		(205)	(120)
Endowments			
Income receivable from endowment asset investments		1,488	1,473
Endowment return transferred to income and expenditure account		(1,603)	(1,404)
Depreciation of endowment asset investments	15	(4,760)	(3,552)
New endowments received	15	1,475	892
Total recognised (losses)/gains related to the year		<u>(3,605)</u>	<u>(2,711)</u>
Opening reserves and endowments		75,575	78,286
Closing reserves and endowments		<u>71,970</u>	<u>75,575</u>

WADHAM COLLEGE
Balance Sheets
As at 31 July 2009

	Notes	CONSOLIDATED		COLLEGE	
		2009 £'000	2008 £'000	2009 £'000	2008 £'000
Fixed assets					
Tangible assets	9	19,016	15,181	19,016	15,181
Investments	10	77	80	77	80
		<u>19,093</u>	<u>15,261</u>	<u>19,093</u>	<u>15,261</u>
Endowment asset Investments					
Securities and cash deposits		35,238	38,570	35,238	38,570
Land and property		21,637	21,654	21,637	21,654
	11	<u>56,875</u>	<u>60,224</u>	<u>56,875</u>	<u>60,224</u>
Current assets:					
Stocks	12	462	467	462	467
Debtors-due within one year	13	893	1,119	1,032	1,174
-due after one year		0	0	0	286
		893	1,119	1,032	1,460
Cash at bank and in hand		1	497	1	472
		<u>1,356</u>	<u>2,083</u>	<u>1,495</u>	<u>2,399</u>
Creditors:					
Amounts falling due within one year	14	(4,671)	(1,173)	(4,810)	(1,204)
Net current (liabilities)/ assets		<u>(3,315)</u>	<u>910</u>	<u>(3,315)</u>	<u>1,195</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		72,653	76,395	72,653	76,680
Creditors:					
Amounts falling due after one year		(683)	(820)	(683)	(1,105)
TOTAL NET ASSETS		<u>71,970</u>	<u>75,575</u>	<u>71,970</u>	<u>75,575</u>
Endowments					
Specific		24,039	25,145	24,039	25,145
General		32,836	35,079	32,836	35,079
	15	<u>56,875</u>	<u>60,224</u>	<u>56,875</u>	<u>60,224</u>
Reserves					
Designated reserves	16	395	445	395	445
General reserves	16	14,700	14,906	14,700	14,906
		<u>15,095</u>	<u>15,351</u>	<u>15,095</u>	<u>15,351</u>
TOTAL FUNDS		<u>71,970</u>	<u>75,575</u>	<u>71,970</u>	<u>75,575</u>

The financial statements were approved by the Governing Body of Wadham College on November 2009

Sir Neil Chalmers
Warden

Ian Thompson
Finance Bursar

WADHAM COLLEGE
Consolidated Cash flow Statement
Year ended 31 July 2009

	Note	2009 £'000	2008 £'000
Net cash (outflow)/inflow from operating activities	21	<u>(1,148)</u>	<u>(883)</u>
Returns on investment and servicing of finance			
Income from endowments received		1,489	1,473
Net cash inflow from returns on investments and servicing of finance		<u>1,489</u>	<u>1,473</u>
Capital expenditure and financial investment			
Net (acquisition) of tangible fixed assets		(4,301)	(664)
Net disposal/(acquisition) of endowment asset investments		(435)	776
Endowments received		1,475	892
Net cash (outflow)/inflow from capital expenditure and financial investment		<u>(3,261)</u>	<u>1,004</u>
Net cash (outflow)/inflow before use of liquid resources and financing		(2,920)	1,594
(decrease)/increase in cash	22	<u>(2,920)</u>	<u>1,594</u>
Reconciliation of net cash flow to movement in net funds			
(decrease)/increase in cash for the year		(2,920)	1,594
Change in net funds		<u>(2,920)</u>	<u>1,594</u>
Net funds at 31 July 2008		8,977	7,381
Net funds at 31 July 2009	22	<u>6,057</u>	<u>8,977</u>

WADHAM 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	1,468	1,997
Tuition fees from overseas students	301	249
Other tuition income	546	112
	<u>2,315</u>	<u>2,358</u>

The above analysis includes fee income from HEFCE funds amounting to £2,237,125 (2008: £2,358,000).

2. OTHER OPERATING INCOME	£'000	£'000
Residential income from college members	1,804	1,650
Conference and function income	801	726
Grants and donations	381	212
Other income	261	429
	<u>3,247</u>	<u>3,017</u>

3. ENDOWMENT RETURN AND INTEREST RECEIVABLE	£'000	£'000
Transferred from specific endowments (note 15)	838	521
Transferred from general endowments (note 15)	765	883
	<u>1,603</u>	<u>1,404</u>

4. STAFF COSTS	£'000	£'000
Gross pay	3,395	3,241
Social Security costs	238	247
Other pension costs	368	356
	<u>4,001</u>	<u>3,844</u>

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

5. Pension Schemes

5.1. The pension schemes:

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

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

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

WADHAM COLLEGE
Notes to the Financial Statements
Year ended 31 July 2009

5.2. Actuarial valuations

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

	USS	OSPS
Date of valuation:	31/03/2008 ^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
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	22 yrs
Assumed life expectancy at age 65 (females)	25 yrs	24 yrs
Funding Ratios:		
Technical Provisions 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:

- 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.
- 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.
- 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.

WADHAM COLLEGE
Notes to the Financial Statements
Year ended 31 July 2009

- 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.

5.3. Sensitivity of actuarial valuation assumptions:

Surpluses or deficits, which arise at future valuations, may impact on the University'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	NHSPS
Valuation rate of interest	increase/decrease by 0.5%	decrease / increase by £2.2bn	decrease / increase by £30m	See Note ^f
Rate of pension increases	increase/decrease by 0.5%	increase / decrease by £1.5bn	increase / decrease by £20m	See Note ^f
Rate of salary growth	increase/decrease by 0.5%	increase / decrease by £0.7bn	increase / decrease by £7m	See Note ^f
Rate of mortality	more prudent assumption (mortality used at last valuation, rated down by a further year)	increase by £1.6bn	increase by £10m	See Note ^f

Notes:

- f. The latest NHSPS valuation was carried before the requirement for these sensitivities was set down. In any event, as the NHSPS is unfunded and backed by the Exchequer, it is not known whether the government actuary will be carrying out these analyses.

5.4. Pension charge for the year:

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

Scheme	2009 £m	2008 £m
Universities Superannuation Scheme	172	169
University of Oxford Staff Pension Scheme	196	187
Other Schemes - contributions	-	-
Total:	368	356

WADHAM COLLEGE
Notes to the Financial Statements
Year ended 31 July 2009

6. ANALYSIS OF EXPENDITURE

	Staff Costs	Depreciation	Other Operating Expenses	2009 Total	2008 Total
	£'000	£'000	£'000	£'000	£'000
Academic	1,990	0	547	2,537	2,445
Residences, catering and conferences	1,181	107	1,075	2,363	2,215
Premises	274	359	556	1,189	1,203
College administration	343	0	253	596	491
Endowment management	0	0	134	134	150
Fundraising	188	0	223	411	341
Other	25	0	20	45	50
	<u>4,001</u>	<u>466</u>	<u>2,808</u>	<u>7,275</u>	<u>6,895</u>
Interest Payable				36	0
Contribution under Statute XV				56	1
Total expenditure				<u>7,367</u>	<u>6,896</u>
Interest payable relates to -				£	£
Bank loans, overdrafts and other loans:					
Repayable wholly or partly in more than 5 years				36	-
				<u>36</u>	<u>-</u>
Other operating expenses include auditors' remuneration					
In respect of the audit of these financial statements				23	23
In respect of other services				1	1
				<u>23</u>	<u>23</u>

WADHAM COLLEGE
Notes to the Financial Statements
Year ended 31 July 2009

7. TAXATION

No Corporation Tax arises on the deficit incurred by the College. The Charity Commission have confirmed that there is no change to the tax status of the College during the period of registration.

8. DEFICIT FOR THE YEAR

	2009	2008
	£	£
Deficit for the year	(202)	(117)
Share of operating loss in Associated Undertaking	(3)	(3)
	<u>(205)</u>	<u>(120)</u>

9. TANGIBLE FIXED ASSETS

CONSOLIDATED AND COLLEGE

	Freehold Land & Building	Plant & Equipment	2009 Total	2008 Total
	£'000	£'000	£'000	£'000
Cost				
At 1 August 2008	20,685	608	21,293	20,805
Additions	4,013	288	4,301	664
Disposals	0	0	0	(176)
At 31 July 2009	<u>24,698</u>	<u>896</u>	<u>25,594</u>	<u>21,293</u>
Depreciation				
At 1 August 2008	5,781	331	6,112	5,739
Charge for period	359	107	466	549
On disposals	0	0	0	(176)
At 31 July 2009	<u>6,140</u>	<u>438</u>	<u>6,578</u>	<u>6,112</u>
Net book value				
At 31 July 2009	<u>18,558</u>	<u>458</u>	<u>19,016</u>	<u>15,181</u>
At 1 August 2008	<u>14,904</u>	<u>277</u>	<u>15,181</u>	<u>15,066</u>

10. FIXED ASSET INVESTMENTS

CONSOLIDATED AND COLLEGE

	2009	2008
	£'000	£'000
At 1 August 2008	80	83
Net investments	(3)	(3)
At 31 July 2009	<u>77</u>	<u>80</u>

CONSOLIDATED AND COLLEGE

	2009	2009
	£'000	£'000
Investment in associated undertaking	<u>77</u>	<u>80</u>
Investments stated at historical cost	<u>141</u>	<u>141</u>

WADHAM COLLEGE
Notes to the Financial Statements
Year ended 31 July 2009

10 FIXED ASSET INVESTMENTS (continued)

The College owns 100% of the issued ordinary share capital of Wadham Energy Supplies Limited, a company incorporated in England and Wales. The principal business activity of Wadham Energy Supplies Limited is the supply of gas and electricity to Wadham College. The net assets of the company at 31 July 2009 were £100 (2008: £100) and the profit for the year was £nil (2008: £nil).

Associated Undertakings

The College owns one third of the ordinary issued share capital of Boathouse Consortium Limited jointly with St Anne's College and St Hugh's College, whose principal activity is ownership of a boathouse. The company made a loss for the year ended 31 July 2009 of £9,703 (2008: £9,703) and its net assets at 31 July 2009 were £230,001(2008: £239,704).

CONSOLIDATED AND COLLEGE

Investment in Associated undertaking

Cost	£'000
At 1 August 2008 & 31 July 2009	<u>145</u>
Provision	
1 August 2008	65
Charge for year	3
31 July 2009	<u>68</u>
31 July 2009	<u>77</u>
31 July 2008	<u>80</u>

11. ENDOWMENT ASSET INVESTMENTS

	CONSOLIDATED AND COLLEGE		
	Securities & Cash	Land & Property	Total
	£'000	£'000	£'000
At market value			
1 August 2008	38,570	21,654	60,224
Purchases at cost	14,644	460	15,104
Sales proceeds	(14,659)	(10)	(14,669)
Increase in cash held by fund manager	976	0	976
Revaluation (losses)/gains	(4,293)	(467)	(4,760)
31 July 2009	<u>35,238</u>	<u>21,637</u>	<u>56,875</u>
Analysed as:			
Fixed interest stocks (listed)	1,004		
Equities (listed)	24,778		
Loan to College	3,400		
Cash	6,056		
	<u>35,238</u>		
Historical cost at end of year	<u>38,570</u>		

Estates land and property valuations as at 31 July 2009 have been made by the College Land Agents, the basis of valuation being open market value on existing use. The valuations are supported where available by indications of value provided by independent firms of Chartered Surveyors or other third parties.

WADHAM COLLEGE
Notes to the Financial Statements
Year ended 31 July 2009

12. STOCK

CONSOLIDATED AND COLLEGE

	2009	2008
	£	£
Goods available for resale	<u>462</u>	<u>467</u>

13. DEBTORS

	CONSOLIDATED		COLLEGE	
	2009	2008	2009	2008
	£'000	£'000	£'000	£'000
Trade debtors	426	477	426	440
Amounts owed by College members	46	61	46	61
Amounts owed by group undertakings	0	0	81	379
Prepayments and accrued income	421	581	479	580
	<u>893</u>	<u>1,119</u>	<u>1,032</u>	<u>1,460</u>

Amounts owed by group undertakings include £NIL (2008: £286,000) which is due after more than one year.

14. CREDITORS:

	CONSOLIDATED		COLLEGE	
	2009	2008	2009	2008
	£'000	£'000	£'000	£'000
AMOUNTS FALLING DUE WITHIN ONE YEAR				
loans from endowment	3,400	0	3,420	0
Trade creditors	358	257	340	248
College Contribution	60	60	60	60
Other taxation and social security	105	108	105	108
Amounts owed to group undertakings	0	0	75	40
Accruals and deferred income	611	611	670	611
Loan Accounts	137	137	137	137
	<u>4,671</u>	<u>1,173</u>	<u>4,810</u>	<u>1,204</u>

CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	CONSOLIDATED		COLLEGE	
	2009	2008	2009	2008
	£'000	£'000	£'000	£'000
Loan Accounts	<u>683</u>	<u>820</u>	<u>683</u>	<u>1,105</u>
	<u>683</u>	<u>820</u>	<u>683</u>	<u>1,105</u>

WADHAM COLLEGE
Notes to the Financial Statements
Year ended 31 July 2009

15. ENDOWMENTS

CONSOLIDATED AND COLLEGE

	Specific	General	Total
	£'000	£'000	£'000
At 1 August 2008	25,145	35,079	60,224
Endowments received	5	1,470	1,475
Depreciation of endowment investments	(2,516)	(2,244)	(4,760)
Income receivable from endowment asset investments	724	771	1,495
Endowment Management Costs	-	(6)	(6)
Transferred to income and expenditure account (note 3)	(838)	(765)	(1,603)
Transfer to reserves	1,519	(1,469)	50
At 31 July 2009	<u>24,039</u>	<u>32,836</u>	<u>56,875</u>

Endowments comprise those funds which fundamentally underpin and sustain the operation of the College at its desired level of activity. Specific Endowments are those bequests and gifts where the use of the capital and income, or only the income, is for a specific purpose or activity so designated by the donor and which can only be used for that purpose or activity. General Endowments represent the corporate capital of the College and include bequests and gifts where the use of the capital and income, or only the income, is for the general purposes of the College. Part of these funds may have been designated for a particular purpose by the Governing Body.

16. RESERVES

CONSOLIDATED AND COLLEGE

DESIGNATED RESERVES

	2009	2008
	£'000	£'000
At 1 August 2008	445	453
Transfer from/(to) Endowment	(80)	82
Transfers to General Reserve	30	(90)
At 31 July 2009	<u>395</u>	<u>445</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
	£'000	£'000
New Building Contingency Fund	104	0
Other designated reserves	291	445
	<u>395</u>	<u>445</u>

WADHAM COLLEGE
Notes to the Financial Statements
Year ended 31 July 2009

16. RESERVES (continued)

GENERAL RESERVES	CONSOLIDATED	COLLEGE
	£'000	£'000
At 1 August 2008	14,906	14,906
Deficit from income and expenditure account	(205)	(205)
Transfer from Endowments	29	29
Transfers from Designated Reserves	(30)	(30)
At 31 July 2009	<u>14,700</u>	<u>14,700</u>

	CONSOLIDATED		COLLEGE	
	2009	2008	2009	2008
	£'000	£'000	£'000	£'000
Representing:				
Undepreciated cost of tangible fixed assets				
financed out of general reserves	19,016	15,181	19,016	15,181
College general reserve	(4,316)	(275)	(4,316)	(275)
	<u>14,700</u>	<u>14,906</u>	<u>14,700</u>	<u>14,906</u>

17. CAPITAL COMMITMENTS

CONSOLIDATED AND COLLEGE	2009	2008
	£'000	£'000
Commitments contracted for as at 31 July 2009	<u>250</u>	<u>5,200</u>

18. CONTINGENT LIABILITIES

There were no contingent liabilities at the end of the year (2008 none).

19. RELATED PARTY TRANSACTIONS

The College has taken advantage of exemptions conferred by Financial Reporting Standard 8 "Related Party Disclosures" and has not disclosed transactions with its wholly owned subsidiary, Wadham Energy Supplies Limited. There were no other related party transactions during the year.

20. FINANCIAL COMMITMENTS

There were no other financial commitments at the end of the year (2008 none).

WADHAM COLLEGE
Notes to the Financial Statements
Year ended 31 July 2009

21. RECONCILIATION OF CONSOLIDATED OPERATING DEFICIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	2009	2008
	£'000	£'000
Deficit for the year	(205)	(120)
Depreciation	466	549
Endowment income and interest receivable	(1,603)	(1,404)
Interest payable	0	0
Decrease/(increase) in stocks	5	8
(Increase)/Decrease in debtors	226	(48)
Increase in creditors	98	265
Decrease in creditors falling due after one year	(138)	(136)
Share of loss from associates	3	3
Net cash (outflow)/inflow from operating activities	<u>(1,148)</u>	<u>(883)</u>

22. ANALYSIS OF CHANGES IN NET FUNDS

	2009	Changes	2008
	£'000	£'000	£'000
Cash at bank and in hand	1	(496)	497
Endowment assets cash	6,056	(2,424)	8,480
	<u>6,057</u>	<u>(2,920)</u>	<u>8,977</u>