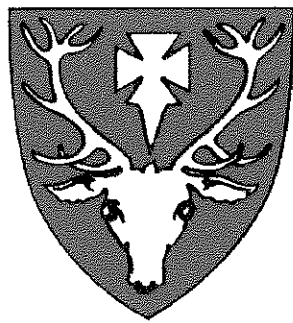


Hertford College, Oxford



ANNUAL REPORT
AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31st JULY 2010

Hertford College
FINANCIAL STATEMENTS
FOR THE
Year Ended 31st JULY 2010

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HERTFORD COLLEGE

Report of the Governing Body

The Governing Body of Hertford College presents the annual report and financial statements for the year ended 31 July 2010

Status

Hertford College is an eleemosynary chartered charitable corporation aggregate. It was founded by Elias de Hertford as Hart Hall in about 1282. A Royal Charter was granted in 1740. It was refounded by Acts of Parliament in 1816 (Geo III, c. 136) and in 1874 (37 and 38 Vict. C. 55). Until 30 June 2010 the College was an exempt charity under s3(5a) Charities Act 1993 (as listed in Schedule 2(b) to that Act). In line with the Charities Act 2006, the College is now registered with the Charities Commission (registered number 1137527). The formal title is The Principal, Fellows and Scholars of Hertford College in the University of Oxford.

Object

The College's charitable object is to advance public learning by the provision of a college within the University of Oxford.

Within this object, the College has various 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, who is the Chancellor of The University of Oxford. The College Statutes are as made from time to time by order of Her Majesty in Council in accordance with the Royal Charter of 1740, 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 which include the Academic, Treasury and Domus Committees.

Scope of financial statements

The financial statements comprise the accounts of Hertford College. There were no active subsidiary companies or undertakings in the year to 31 July 2010. In May 2010 the College established a wholly owned trading subsidiary, Hertford College Programmes, to manage its non primary purpose trading activities, primarily conferences and English language programmes. This subsidiary started trading on 1 August 2010.

Review of operations and finance

The College recorded a surplus for the year of £445k compared with a deficit of £361k in 2008/9. Total income increased by £844k or 13% reflecting significantly higher income from conferences and donations and legacies. Total expenditure was flat compared to the previous year reflecting ongoing cost discipline, efficiency savings, and lower utility and maintenance costs.

Income from core activities of teaching, research and student board and lodging was £4,446k, £372k higher than the previous year reflecting a higher intake of graduates and increased charges to members. The costs of supporting these core activities in terms of salaries, supplies and the upkeep of buildings was £5,747k, a reduction of £152k on the previous year.

Conference and function income was £1,520k, an increase of £375k or 33% compared with the previous year due to a high level of activity with a number of new customers in April and July more than compensating for cancellations due to the risk of swine flu in August 2009. Conference costs were £90k higher due to the higher level of activity.

HERTFORD COLLEGE

Report of the Governing Body

Grants and donations were £333k, an increase of £142k on the previous year. The College launched a campaign to raise funds for an undergraduate bursary scheme to start in October 2011 to support students from less financially advantaged households. Funds raised to date for this scheme comprise the largest part of the £197k of new endowments received in the year. The College received a £105k legacy from a generous alumnus which Governing Body has designated to a graduate scholarship reserve (£74k) and an undergraduate bursary reserve (£31k).

Endowment income transferred to the income and expenditure account was £990k, £30k lower than the previous year. Total income generated by the endowment remained flat representing a yield of 2.9%

Investment performance

The value of the College endowment increased by £4,501k or 13% to £40m over the year to 31st July 2010. In the same period the FTSE 100 index increased by 14%. The value of the endowment at 31 July was £1m higher than at end July 2008, fully recovering the losses incurred during 2008/9. However stock markets remain volatile in a period of economic uncertainty. Over this period the endowment has broadly tracked the FTSE 100 index, in line with the college's investment strategy. During the year minor adjustments to asset allocation were made to increase the overall returns. The total return on the endowment for the year was 15%.

Reserves

General reserves at the year end amounted to £10,933k. Since £10,059k has been spent on fixed assets this leaves the College with free reserves of £874k, compared with negative free reserves of £116k at the end of 2009. Governing Body considers that free general reserves equivalent to three months expenditure should be maintained by the College. This is based on an assessment of the probability and likely impact on the College's activities that might be caused by an unexpected decline in income, an inability to meet financial obligations, or an inability to reduce expenditure in the immediate short term. The Policy provides the minimum level of reserves to ensure uninterrupted operation. By generating surpluses over the coming years the College aims to move towards this level of general reserves. The Policy and the target level of reserves are reviewed annually to reassess the risks and reflect changes in the College's income, financial obligations and expenditure

Risk Management

The major risks to which the College is exposed, as identified by the Governing Body, have been reviewed and systems have been established to manage these risks. The primary supervision of financial risk rests with the Treasury Committee.

Approved by the Governing Body on 13th October 2010

Dr John Landers - Principal

HERTFORD 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

- ❖ 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.

On 30 June 2010, in line with the Charities Act 2006, the College registered with the Charities Commission (registered number 1137527). The formal title is The Principal, Fellows and Scholars of Hertford College in the University of Oxford.

HERTFORD COLLEGE

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

We have audited the financial statements of Hertford College for the year ended 31 July 2010 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 23. 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 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.

HERTFORD COLLEGE

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

Opinion

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 2010 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 2010 has been applied for the purposes which it was received.

Crowe Clark Whitehill LLP

Chartered Accountants and Statutory Auditor

St Bride's House
10 Salisbury Square
London EC4Y 8EH

21st October 2010

HERTFORD 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 future movement of the College financial statements to the Charities SORP, which will be implemented in 2011 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.

There were no active subsidiary companies or undertakings in the year to 31 July 2010. In May 2010 the College established a wholly owned trading subsidiary, Hertford College Programmes, to manage its non primary purpose trading activities. This subsidiary started trading on 1 August 2010.

The accounts of the affiliated student bodies (Hertford College Junior and Middle Common Rooms) have not been consolidated because the College does not control these activities.

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 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 costs

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 schemes, and it is not possible to identify the assets of the Scheme 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 included as expenditure 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 (major)	30 years
Freehold buildings (minor)	10 years
Building improvements (major)	10 years
Equipment	5 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 not material.

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

The College operates a "de minimis" limit of £25,000 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.

HERTFORD COLLEGE

Statement of Principal Accounting Policies

Investments

Listed investments and properties held as fixed asset and endowment asset investments are stated at market value. Other investments are stated at the lower of cost and net realisable value.

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

Stocks

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

Maintenance of premises

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

Provisions

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

Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors.

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

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 a 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 Sections 466 - 493 of the Corporation Tax Act 2010 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 period to which it relates.

HERTFORD COLLEGE
Income and Expenditure Account
Year ended 31 July 2010

	Notes	2010 £'000	2009 £'000
INCOME			
Academic fees and tuition income	1	2,481	2,277
Research grants and contracts	2	0	0
Other operating income	3	3,833	3,163
Endowment return and interest receivable	4	1,139	1,169
Total income		<u>7,453</u>	<u>6,609</u>
EXPENDITURE			
Staff costs	5	3,636	3,626
Depreciation		518	518
Other operating expenses		2,838	2,906
Contribution under Statute XV		16	24
Total expenditure	7	<u>7,008</u>	<u>7,074</u>
Surplus (deficit) for the year on continuing operations before taxation and disposal of fixed assets		445	(465)
Surplus (deficit) on disposal of fixed assets		0	104
Taxation		0	0
Surplus (deficit) for the year after taxation	8	<u>445</u>	<u>(361)</u>

Statement of total recognised gains and losses
Year ended 31 July 2010

	Notes	2010 £	2009 £
Surplus (deficit) for the year		445	(361)
Appreciation (depreciation) of endowment asset investments	14	4,233	(3,304)
Specific endowment income retained for the year	14	71	55
New endowments received	14	197	13
Total recognised gains (losses) relating to the year		<u>4,946</u>	<u>(3,597)</u>
Opening reserves and endowments		46,743	50,340
Closing reserves and endowments		<u>51,689</u>	<u>46,743</u>

HERTFORD COLLEGE
Balance Sheets
As at 31 July 2010

	Notes	2010 £'000	2009 £'000
Fixed assets			
Tangible assets	9	<u>10,059</u>	<u>10,577</u>
Endowment asset investments			
Securities and cash deposits		41,601	36,553
Due to the College		<u>(1,613)</u>	<u>(1,066)</u>
	10	<u>39,988</u>	<u>35,487</u>
Current assets:			
Stocks		18	15
Debtors	11	2,124	1,609
Short term investments		0	0
Cash at bank and in hand		<u>1,343</u>	<u>111</u>
		3,485	1,735
Creditors:			
Amounts falling due within one year	12	<u>(1,737)</u>	<u>(1,056)</u>
Net current assets (liabilities)		<u>1,748</u>	<u>679</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		51,795	46,743
Creditors:			
Amounts falling due after more than one year	13	<u>(106)</u>	0
TOTAL NET ASSETS		<u>51,689</u>	<u>46,743</u>
Endowments			
Specific		9,257	8,053
General		<u>30,731</u>	<u>27,434</u>
	14	39,988	35,487
Reserves			
Designated Reserves		768	795
General reserves		<u>10,933</u>	<u>10,461</u>
	15	11,701	11,256
TOTAL FUNDS		<u>51,689</u>	<u>46,743</u>

The financial statements were approved by the Governing Body of HERTFORD COLLEGE on 13th October 2010

Dr. John Landers
Principal

Mr. Simon Lloyd
Bursar

HERTFORD COLLEGE
Cashflow Statement
Year ended 31 July 2010

	Note	2010 £'000	2009 £'000
Net cash inflow (outflow) from operating activities	21	<u>640</u>	<u>(1,302)</u>
Returns on investments and servicing of finance			
Income from endowments received		1,061	1,075
Other income from investments and interest received		<u>149</u>	<u>149</u>
		1,210	1,224
Net cash inflow from returns on investments and servicing of finance		<u>1,210</u>	<u>1,224</u>
Capital expenditure and financial investment			
Net realisation/(acquisition) of tangible fixed assets		0	194
Net realisation/(acquisition) of endowment asset investments		(2,026)	(2,192)
Endowments received		<u>197</u>	<u>13</u>
Net cash inflow (outflow) from capital expenditure and financial investment		<u>(1,829)</u>	<u>(1,985)</u>
Net cash inflow before use of liquid resources and financing		21	(2,063)
Management of liquid resources	22	0	0
Increase/(decrease) in cash	23	<u>21</u>	<u>(2,063)</u>
Reconciliation of net cash flow to movement in net funds			
Increase/(decrease) in cash for the year		21	(2,063)
Increase/(decrease) in liquid resources and current asset investments		0	0
Change in net funds		<u>21</u>	<u>(2,063)</u>
Net funds at 1 August		2,453	4,516
Net funds at 31 July	23	<u>2,474</u>	<u>2,453</u>

HERTFORD COLLEGE
Notes to the Financial Statements
Year ended 31 July 2010

	2010 £'000	2009 £'000
1 ACADEMIC FEES AND TUITION INCOME		
Tuition fees from UK and European Union students	1,344	1,278
Tuition fees from overseas students	333	305
Other fees	320	199
Other tuition income and HEFCE support	484	495
	<u>2,481</u>	<u>2,277</u>

The above analysis includes fee income in respect of UK and European Union publicly funded students amounting to £1,575K (2009: £1,564K)

	£'000	£'000
2 RESEARCH GRANTS AND CONTRACTS		
Research councils	0	0
UK based charities	0	0
European commission	0	0
Other grants and contracts	0	0
	<u>0</u>	<u>0</u>

	£'000	£'000
3 OTHER OPERATING INCOME		
Residential income from college members	1,965	1,797
Conference and function income	1,520	1,145
Grants and donations	333	191
Other income	15	30
	<u>3,833</u>	<u>3,163</u>

	£'000	£'000
4 ENDOWMENT RETURN AND INTEREST RECEIVABLE		
Transferred from specific endowments (note 14)	160	173
Transferred from general endowments (note 14)	830	847
Other investment income	115	116
Other interest receivable	34	33
	<u>1,139</u>	<u>1,169</u>

	£'000	£'000
5 STAFF COSTS		
Gross pay	3,018	3,022
Social Security costs	213	209
Other pension costs	405	395
Other benefits	0	0
	<u>3,636</u>	<u>3,626</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.

6 PENSION SCHEMES

The College participates in the Universities Superannuation Scheme ("the USS") and the University of Oxford Staff Pension Scheme ("the OSPS") on behalf its staff. 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

HERTFORD COLLEGE
Notes to the Financial Statements
Year ended 31 July 2010

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 Statement of Financial Activities represents the contributions payable to the schemes in respect of the accounting period.

In September 2005 the government introduced legislation that an employer may not withdraw from a multi-employer scheme without funding (to a specified level) its share of any pension liability in the scheme. The funding level specified is the amount required to buy-out the liabilities with an insurance company, and is commonly known as the 'buy-out debt' or 'section 75 debt'. The buy-out debt is a more onerous funding requirement than the scheme's own cautious assumptions and the sums involved can be very substantial.

USS

The latest actuarial valuation of the USS was carried out at 31 March 2008 and published in February 2009. This valuation showed the scheme assets to represent 103% of the scheme liabilities at that date. Based on this valuation the actuary recommended an employer contribution rate of 16% with an employee contribution rate of 6.35%. The full valuation is available on the USS website, http://www.uss.co.uk/Actuarial%20Valuation/actuarial_valuation_2008.pdf
 The next actuarial valuation of the USS is due to take place at 31 March 2011 and should be published early in 2012. In addition, a national review of the future of the USS is currently underway.

OSPS

The latest actuarial valuation of the OSPS was carried out at 31 March 2007 and showed that this scheme had a deficit of approximately £43m. Following this valuation a recovery plan was put in place, which required the University and the participating Colleges to increase their contribution rate from 17.5% to 21.5% to help reduce the deficit. Since the last funding valuation, the economic downturn has had a significant impact on the value of the assets held by the scheme. An estimate of OSPS's funding position as at 31 July 2009 indicated that the shortfall had risen to £166 million.

The next formal valuation date will be as at 31 March 2010. The full report from that valuation is not expected until the end of 2010. However, it is likely that the valuation will show that the deficit has increased still further. The University's consulting actuaries, Hewitt Associates, have estimated that the shortfall could now be as high as £180 million.

In light of the actuarial deficit, and in order to ensure that the scheme remains sustainable in the long term, the University is working with the participating Colleges and the scheme's trustees to identify what changes need to be made to OSPS.

PENSION CHARGE FOR THE YEAR

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

Scheme	Year to	Year to
	31/07/2010	31/07/2009
	£'000	£'000
Universities Superannuation Scheme	190	170
College of Oxford Staff Pension Scheme	206	217
Other Scheme Contributions	9	8
Total:	405	395
Provision for future supplementation payments	-	-

HERTFORD COLLEGE
Notes to the Financial Statements
Year ended 31 July 2010

7 ANALYSIS OF EXPENDITURE

	Staff costs £'000	Depreciation £'000	Other operating expenses £'000	2010 Total £'000	2009 Total £'000
Academic	1,278	0	445	1,723	1,670
Residences, catering and conferences	1,516	0	1,326	2,842	2,845
Premises	162	518	494	1,174	1,282
College administration	495	0	328	823	790
Endowment management	13	0	164	177	169
Fundraising	153	0	36	189	185
Other	19	0	45	64	109
	<u>3,636</u>	<u>518</u>	<u>2,838</u>	<u>6,992</u>	<u>7,050</u>
Contribution under Statute XV				16	24
Total expenditure				<u>7,008</u>	<u>7,074</u>
				£'000	£'000
Other operating expenses include auditors' remuneration:					
in respect of the audit of these financial statements				17	16
in respect of other services				<u>8</u>	<u>0</u>

The above analysis includes expenditure in respect of UK and European Union students met by publicly funded fee

8 SURPLUS FOR THE YEAR

	2010 £'000	2009 £'000
College's surplus/(deficit) for the year	<u>445</u>	<u>(361)</u>

9 TANGIBLE FIXED ASSETS

	Land & buildings		Equipment £'000	Total £'000
	Freehold £'000	Long leasehold £'000		
Cost				
At start of year	17,208	0	0	17,208
Additions	0	0	0	0
Disposals	0	0	0	0
	<u>17,208</u>	<u>0</u>	<u>0</u>	<u>17,208</u>
Depreciation				
At start of year	6,631	0	0	6,631
Charge for period	518	0	0	518
On disposals	0	0	0	0
	<u>7,149</u>	<u>0</u>	<u>0</u>	<u>7,149</u>
Net book value				
At end of year	<u>10,059</u>	<u>0</u>	<u>0</u>	<u>10,059</u>
At start of year	<u>10,577</u>	<u>0</u>	<u>0</u>	<u>10,577</u>

The net book value of tangible fixed assets includes an amount of £Nil (2009: £Nil) in respect of assets held under finance leases. The depreciation charge on these assets for the year was £Nil (2009: £Nil).

HERTFORD COLLEGE
Notes to the Financial Statements
Year ended 31 July 2010

10 ENDOWMENT ASSET INVESTMENTS

	Securities & cash £'000	Land & property £'000	Total £'000
At market value			
At start of year	35,487	0	35,487
Purchases at cost	12,554	0	12,554
Sales proceeds	(10,528)	0	(10,528)
Increase/(decrease) in cash held by fund manager	(1,211)	0	(1,211)
Increase/(decrease) in balance with College	(547)	0	(547)
Revaluation gains	4,233	0	4,233
At end of year	39,988	0	39,988
Analysed as			
Fixed interest stocks (listed)	14,205		
Equities (listed)	26,210		
Unlisted securities	55		
Cash	1,131		
Balance with College	(1,613)		
	39,988		
Historical cost at end of year	44,630		

11 DEBTORS

	2010 £'000	2009 £'000
Amounts falling due within one year		
Trade debtors	89	165
Amounts owed by College members	116	129
Loans	5	5
Due from Endowment	1,613	1,066
Prepayments and accrued income	281	224
Amounts falling due after more than one year		
Loans	20	20
	2,124	1,609

12 CREDITORS

	2010 £'000	2009 £'000
Trade creditors	215	162
College Contribution	35	40
Other taxation and social security	110	76
Accruals and deferred income	170	160
Other creditors	1,207	618
Owed to Endowment	0	0
	1,737	1,056

13 CREDITORS: AMOUNT FALLING DUE AFTER MORE THAN ONE YEAR

	£'000	£'000
Other creditors	106	0

HERTFORD COLLEGE
Notes to the Financial Statements
Year ended 31 July 2010

14 ENDOWMENTS

	Specific £'000	General £'000	Total £'000
At start of year	8,053	27,434	35,487
Endowments received	192	5	197
Appreciation (depreciation) of endowment investments	941	3,292	4,233
Income receivable from endowment asset investments	231	830	1,061
Transferred to income and expenditure account (note 4)	(160)	(830)	(990)
Transfer (to) from reserves			0
At end of year	9,257	30,731	39,988

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.

15 RESERVES

DESIGNATED RESERVES

	£'000
At start of year	795
Transfers (to) from general reserve	(27)
At end of year	768

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 2010 they comprised:

	£'000
Reserves for replacement and maintenance of functional buildings	663
Reserve for provision of graduate scholarships	74
Reserve for provision of undergraduate bursaries	31
	768

HERTFORD COLLEGE
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15 RESERVES (continued)

GENERAL RESERVES

	£'000		
At start of year	10,461		
Surplus from income and expenditure account	445		
Transfer (to)/from endowment	0		
Capital repaid to endowment	0		
Transfers (to)/from designated reserves	27		
At end of year	10,933		
	2010		2009
	£'000		£'000
Representing:			
Unde depreciated cost of tangible fixed assets financed out of general reserve	10,059		10,577
College general reserve	874		(116)
	10,933		10,461

16 CAPITAL COMMITMENTS

	2010		2009
	£'000		£'000
Commitments contracted at 31 July	0		0
Commitments under finance leases entered into but not yet provided for in the financial statements	0		0
	0		0

17 FINANCIAL COMMITMENTS

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

	£'000		£'000
Land and buildings			
Expiring within one year	0		62
Expiring between two and five years inclusive	0		0
Expiring in over five years	0		0
	0		62
Other			
Expiring within one year	0		0
Expiring between two and five years inclusive	5		5
Expiring in over five years	0		0
	5		5

18 POST BALANCE SHEET EVENTS

There were no events occurring after the date of the balance sheet which would have a material effect on these financial statements.

19 CONTINGENT LIABILITIES

There are no obligations arising from events occurring before the date of the balance sheet whose existence will be confirmed only by the occurrence of events not wholly within the College's control.

20 RELATED PARTY TRANSACTIONS

HERTFORD COLLEGE
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Hertford College is recognised as a college of the University of Oxford and is part of the collegiate University. Material interdependencies of the University and of the 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 and facilities as employees of Hertford College. Normal remuneration of, and standard arrangements with, members of the Governing Body are not treated as related party transactions.

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

	2010 £'000	2009 £'000
Surplus (deficit) for the year	445	(361)
Profit on sale of fixed asset	0	(104)
Depreciation	518	518
Endowment income and interest receivable	(1,139)	(1,169)
Decrease (increase) in stocks	(3)	5
Decrease (increase) in debtors	32	(86)
(Decrease) increase in creditors	787	(105)
	<u>640</u>	<u>(1,302)</u>

22 MANAGEMENT OF LIQUID RESOURCES

	£'000	£'000
Net (purchase)/sale of investments	0	0
Net (increase)/decrease in deposits	0	0
	<u>0</u>	<u>0</u>

23 ANALYSIS OF CHANGES IN NET FUNDS

	2010 £'000	Changes £'000	2009 £'000
Cash at bank and in hand	1,343	1,232	111
Endowment assets cash	1,131	(1,211)	2,342
	<u>2,474</u>	<u>21</u>	<u>2,453</u>
Current asset investments	0	0	0
	<u>2,474</u>	<u>21</u>	<u>2,453</u>