



NEW COLLEGE

Report and financial statements for the
year ended 31 July 2010

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Report of the Governing Body

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

Status

New College is a chartered charitable corporation aggregate. It was founded by William of Wykeham, Bishop of Winchester, under a Royal Charter of Richard the Second, dated 30 June 1379, and a Deed of Foundation dated 26 November 1379. The corporation comprises the Warden and Fellows. New College is an exempt charity under s3(5a) Charities Act 1993 (as listed in Schedule 2(b) to that Act).

Objects

New College exists to provide and promote undergraduate and graduate education within the University of Oxford, and also to provide and promote university academic research. The College is also a Choral Foundation and hence, in accordance with the Deed of Foundation and with the preamble to the Founders Statutes, maintains a Choir and the related Choir School.

Within these Objects, the College also has various permanently endowed trust funds held for special purposes in connection with the development of College facilities and for scholarships, bursaries, prizes and other educational purposes.

Governance

The Governing Body of the College comprises the 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 Lord Bishop of Winchester. The College Statutes are as made from time to time by order of Her Majesty in Council in accordance with the Royal Charter of 1379, and the Universities of Oxford and Cambridge Act 1923. The Statutes were extensively revised in 2005-6, and the revisions approved by the Privy Council in July 2006. 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.

Review of operations and finance

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

The recently passed charities legislation abolished the status of 'exempt' charities; in the near future, New College will be regulated by the Charity Commission. The process of bringing the colleges of Oxford under the Commission's umbrella continues, and it is anticipated that the accounts for 2010/11 will be prepared in line with the requirements of the Statement of Recommended Practice (SORP) issued for charities.

The year to 31 July 2010 saw a small increase in the College's deficit from £602k in the previous year to £636k, as shown in the income and expenditure account on page 8 of the financial statements. This might have been far worse if not for the gradual recovery of the endowment on a rising stock market, well diversified investments, pre-emptive economies, capital projects put on hold, all but essential maintenance deferred, and a marked increase in annual giving through the efforts of the Development Office. Although we continue to subsidise the New College School, pupil numbers are increasing healthily, and we believe that this year's £334k deficit will steadily diminish. Since pupil numbers can increase only gradually, this will not be a very rapid process, even if it is reassuring to be able to see an end to it. We consider small and temporary deficits to be an acceptable part of the costs of meeting the College's obligation to maintain a choir.

Over the year, the total net assets of the College increased from £141m to £150m as detailed in the statement of total recognised gains and losses.

The College has reacted to the funding crisis in the Humanities Division caused largely by HEFCE's withdrawal of QR money by launching campaigns to endow three CUF tutorial fellowships that will fall vacant upon the retirement of senior colleagues over the next few years, thereby hoping to release matching funding from the Teaching Fund set up by the University to protect certain subjects from decimation by attrition.

In anticipation of radical changes to the funding of English universities following the government's implementation of the recommendations of the Browne Report, the College is bracing itself for a smaller distribution of reduced core grant from the University, increased levies to support poorer colleges and graduate studentships, and the likelihood of having to assume more responsibility for bursaries and other subsidies of our own students, both graduates and undergraduates. Accordingly, we are modestly expanding the Junior Year Aboard programme to build on the very successful arrangement with Notre Dame University. The College also decided to reverse a decision taken in the previous year to reduce home student numbers by 20.

Report of the Governing Body

A key element in maintaining the quality of teaching and learning in the College is fundraising. The Development Department enjoyed a good year: annual giving doubled to nearly £1.8 million, legacy pledges topped £6 million, nearly 20 per cent of alumni are now giving each year (above the Oxford average), and New College 2019, our capital campaign, began its 'silent phase' under the chairmanship of Lord Aldington. Its first major success was to secure an endowment for the post of Organist upon the retirement of Professor Higginbottom. Coincidentally, the Chapel Choir launched its own CD series, *Novum*, at a gala concert given in London in October.

The College exists to promote education and learning, both through teaching highly intelligent and motivated undergraduates and graduates, and through fostering academic and scientific research of the highest quality in all the subjects represented by the Fellows. In maintaining its strikingly beautiful buildings and grounds and in keeping the Chapel as one of the beacons of spiritual life in Oxford, the College is also sustaining the architectural and cultural heritage of the country. There is no denying that these glories which have accrued over the past 600 years will be difficult to protect in the face of the government's unprecedented efforts to reduce the national debt through deep cuts to the costs of higher education in England. This Report and the following financial statements demonstrate that the College has begun to prepare for this sea-change.

Investment powers and performance

The investments held by the College are managed in accordance with the powers given to the Warden and Fellows by Statutes XV (Investment Powers) and XVI (Delegation of Investment Management), and also in accordance with the Universities and College Estates Act 1925 (as amended in 1964).

The investment strategy for endowment assets is to produce income equivalent to a spend rate of between 3.0% and 4.0% of asset value per annum whilst also preserving the real value of capital. For the year to 31 July 2010, total investment return on all endowment assets was 12.1% expressed as a percentage of endowments at the start of the year.

During the year the investments were held mainly in three portfolios of shares and securities, the day-to-day management of which was delegated to Newton Asset Management, Sarasin & Partners (appointed during the year, replacing Midas Capital Partners) and Oxford Investment Partners (OXIP). The College has also committed some £7m of capital to private equity with Doughty Hanson. Regular review of the portfolios is conducted by an Endowment Committee which meets with the investment managers half-yearly and assesses their performance against agreed benchmarks and in the light of the income target advised for the year.

Reserves

The balance on reserves at the year end amounted to £10.8m. After allowing for the amounts invested in fixed assets and amounts designated for special purposes, the College's general reserve was £432k (note 16). The Governing Body has reviewed the reserves of the College and has concluded that, ideally, a minimum balance of £500k should be maintained in such a "free" reserve to allow the College to be managed efficiently and to provide for the risk of interruption to the sources of College income or for the need to make emergency 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 mitigate these risks.

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. The Governing Body is also responsible for preparing the annual report and financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

In preparing the financial statements, the Governing Body has ensured that:

- ◆ suitable accounting policies are selected and applied consistently;
- ◆ judgements and estimates are made that are reasonable and prudent;
- ◆ applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- ◆ it is satisfied that it has adequate resources to continue in operation for the foreseeable future: accordingly the financial statements are prepared on a going concern basis.

The Governing Body has taken reasonable steps to:

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

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

Under the Charities Act 1993 the College is an exempt charity and the members of the Governing Body must ensure that the property and income of the College are applied only in support of purposes which are charitable in law.

Report of the Independent Auditors to the Governing Body of New College

We have audited the financial statements of New 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 25. 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 is 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 as at 31 July 2010 and of its deficit 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 2010 has been applied to the purposes for which it was received.

Critchleys LLP
Statutory Auditor
Chartered Accountants
Oxford

1 December 2010

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 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 June 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 do not consolidate the accounts of the affiliated student bodies (including New College Junior and Graduate Common Rooms) 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 (the use of which is not legally restricted to a specific purpose or activity) is determined by a spending rule which currently permits the transfer of income of not less than 3.0 per cent and not more than 4.0 per cent of the moving average of the latest 5 years' year-end market valuations of the endowment.

General donations

Unrestricted donations and benefactions are credited to general endowment on receipt.

Pension costs

Contributions to the pension schemes provided for employees of the College are charged to the income and expenditure account on the basis of the contribution rates payable for the year, as determined by the scheme actuaries. (See also note 5 to the financial statements).

Tangible fixed assets

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

Freehold buildings	50 years
Leasehold properties	50 years or period of lease if shorter
Building improvements	30 years
Equipment	4 - 10 years

Freehold land is not depreciated. The cost of freehold land associated with the main historic site is not included in the balance sheet, but is unlikely to be material.

The cost of major renovation projects which increase the service potential of buildings is 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.

The College operates a "de minimis" limit of £5,000 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.

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.

Statement of Principal Accounting Policies

(Continued)

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.

Endowments

Endowments comprise those funds which are regarded as for the long term and which fundamentally underpin and sustain the operation of the College at its desired level of activity.

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.

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 an exempt charity within the meaning of Schedule 2 of the Charities Act 1993, New 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. Trading activities are liable to Corporation Tax. The College receives no 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 College 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 Council of the University.

Income and Expenditure Account

	Notes	2010 £'000	2009 £'000
INCOME			
Academic fees and tuition income	1	2,518	2,571
Research grants and contracts		-	-
Other operating income	2	4,275	3,857
Choir school		1,195	1,082
Endowment return and interest receivable	3	4,433	4,405
Total income		<u>12,421</u>	<u>11,915</u>
EXPENDITURE			
Staff costs	4	6,523	6,332
Depreciation		645	653
Other operating expenses		4,251	4,076
Choir school		1,402	1,296
Interest payable		11	7
Contribution under Statute XV		225	153
Total expenditure	6	<u>13,057</u>	<u>12,517</u>
Deficit for the year on continuing operations before taxation and disposal of fixed assets		(636)	(602)
Taxation	7	-	-
Deficit for the year after taxation		<u>(636)</u>	<u>(602)</u>

Statement of Total Recognised Gains and Losses

	Notes	2010 £'000	2009 £'000
Reserves			
Deficit for the year	16	(636)	(602)
Endowments			
Income receivable from endowment asset investments	15	3,324	3,895
Endowment return transferred to income and expenditure account	15	(4,424)	(4,385)
Appreciation/(depreciation) of endowment asset investments	15	11,461	(8,457)
New endowments received	15	-	-
Other			
Net additions to/(deductions from) deferred capital	14	57	(130)
Total recognised gains/(losses) relating to the year		<u>9,782</u>	<u>(9,679)</u>
Opening fund balances		140,554	150,233
Closing fund balances		<u>150,336</u>	<u>140,554</u>

Balance Sheet

	Notes	2010 £'000	2009 £'000
Fixed assets			
Tangible assets	8	16,408	16,914
Investments	9	1	1
		<u>16,409</u>	<u>16,915</u>
Endowment asset investments			
Securities and cash deposits		98,111	90,237
Land and property		35,115	32,515
	10	<u>133,226</u>	<u>122,752</u>
Current assets:			
Stocks		365	360
Debtors	11	1,768	1,483
Short term investments		525	512
Cash at bank and in hand		65	273
		<u>2,723</u>	<u>2,628</u>
Creditors:			
Amounts falling due within one year	12	(2,022)	(1,741)
		<u>701</u>	<u>887</u>
Net current assets			
		<u>701</u>	<u>887</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		150,336	140,554
Creditors:			
Amounts falling due after more than one year	13	-	-
TOTAL NET ASSETS		<u>150,336</u>	<u>140,554</u>
Deferred capital			
	14	6,320	6,263
Endowments			
Specific		5,858	5,363
General		127,368	117,389
	15	<u>133,226</u>	<u>122,752</u>
Reserves			
Designated reserves		860	1,307
General reserves		9,930	10,232
	16	<u>10,790</u>	<u>11,539</u>
TOTAL FUNDS		<u>150,336</u>	<u>140,554</u>

The financial statements were approved by the Governing Body of New College on 1 December 2010

Sir Curtis Price
Warden

David Palfreyman
Bursar

Cashflow Statement

	<i>Notes</i>	2010 £'000	<i>2009</i> £'000
Net cash outflow from operating activities	<i>21</i>	<u>(4,552)</u>	<u>(4,759)</u>
Returns on investments and servicing of finance			
Income from endowments		3,324	3,895
Other income from investments and interest received		<u>9</u>	<u>20</u>
		3,333	3,915
Interest paid		(11)	(7)
Net cash inflow from returns on investments and servicing of finance		<u>3,322</u>	<u>3,908</u>
Capital expenditure and financial investment			
Net acquisition of tangible fixed assets		(139)	(628)
Net realisation of fixed asset investments		-	4
Net realisation/(acquisition) of endowment asset investments		439	(2,681)
Endowments received		-	-
Deferred capital received		187	-
Net cash outflow/inflow from capital expenditure and financial investment		<u>487</u>	<u>(3,305)</u>
Net cash outflow/inflow before use of liquid resources and financing		(743)	(4,156)
Management of liquid resources	<i>22</i>	(13)	454
Financing	<i>23</i>	-	-
Decrease in cash	<i>24</i>	<u>(756)</u>	<u>(3,702)</u>
Reconciliation of net cash flow to movement in net funds			
Decrease/increase in cash for the year		(756)	(3,702)
Increase/(decrease) in liquid resources and current asset investments		13	(454)
Decrease in debt		-	-
Change in net funds		<u>(743)</u>	<u>(4,156)</u>
Net surplus of funds at 1 August		6,270	10,426
Net surplus of funds at 31 July		<u>5,527</u>	<u>6,270</u>

Notes to the Financial Statements

	2010	2009
	£'000	£'000
1 ACADEMIC FEES AND TUITION INCOME AND HEFCE SUPPORT		
Tuition fees from UK and European Union students	1,452	1,442
Tuition fees from overseas students	300	297
Other fees	198	192
Other tuition income and HEFCE support	568	640
	2,518	2,571
The above analysis includes support from the University from HEFCE funds amounting to £1,886,114 (2009 - £1,915,723).		
2 OTHER OPERATING INCOME	£'000	£'000
Residential income from college members	2,102	1,985
Conference and function income	940	681
Grants and donations	910	895
Release of deferred capital contributions	130	130
Other income	193	166
	4,275	3,857
3 ENDOWMENT RETURN AND INTEREST RECEIVABLE	£'000	£'000
Transferred from specific endowments (note 15)	140	173
Transferred from general endowments (note 15)	4,284	4,212
Other investment income	-	-
Other interest receivable	9	20
	4,433	4,405
4 STAFF COSTS	£'000	£'000
Gross pay	5,398	5,282
Social Security costs	394	380
Other pension costs	686	625
Other benefits	45	45
	6,523	6,332

Sir Curtis Price succeeded Professor Ryan as Warden in September 2009. Professor Ryan remained a Fellow of the College throughout the year. Their total emoluments as Warden, excluding pension contributions, were £86,546 (2009: £89,494). Pension contributions paid by the College in respect of the Warden amounted to £1,485 (2009: £19,065); no contributions were paid in respect of Sir Curtis Price.

5 PENSION SCHEMES

The two principal pension schemes for the College's staff are the Universities Superannuation Scheme (USS) and the University of Oxford Staff Pension Scheme (OSPS). The schemes are contributory, are contracted out from the State Second Pension (S2P), and provide benefits based on length of service and final pensionable salary. The assets of USS and OSPS are each held in separate trustee-administered funds. The schemes are periodically valued by qualified actuaries using the "projected unit" method, embracing a market value approach. The levels of contribution take account of actuarial surpluses or deficiencies in each scheme. The underlying material assumptions and the results of the most recent actuarial valuations of the two schemes are listed on page 13. Financial assumptions were derived from market conditions prevailing at the valuation date.

Notes to the Financial Statements

5 PENSION SCHEMES (CONTINUED)

	USS	OSPS
	31/03/2008	31/07/2007
Date of latest actuarial valuation		
Principal assumptions:		
Salary increases per annum (see note below)	4.30%	4.80%
Pension increases per annum	3.30%	3.30%
Valuation rate of interest - past service liabilities/periods up to retirement	4.40%	6.90%
Valuation rate of interest - future service liabilities/periods after retirement	6.10%	4.90%
Assumed life expectancy at age 65 (males)	23yrs	22yrs
Assumed life expectancy at age 65 (females)	25yrs	24yrs
Results:		
Value of past service liabilities	£28,135m	£322m
Value of assets	£28,842m	£279m
Funding surplus/(deficit)	£707m	(£43m)
Funding ratios:		
Technical Provisions basis	103%	87%
Statutory Pension Protection Fund basis	107%	95%
"Buy-out" basis	79%	71%
Estimated FR17 basis	104%	89%

Contributions payable by the College in respect of USS and OSPS were equal to 14.0%, rising to 16% from 1 October 2009, and 21.5% respectively of pensionable salaries during the year. The USS employer contribution rate required for future service benefits alone at the date of the valuation was 16% of total pensionable salaries. The 2007 valuation for OSPS identified a required long-term employer contribution rate of 17.85%, but also identified a funding deficit of £43.2m. To address this situation, the employer contribution rate was increased to 21.5% in 2008/09.

USS and OSPS are multi-employer schemes where the share of assets and liabilities applicable to each employer is not identified. The College will therefore account for its pension costs for each scheme on a defined contribution basis as permitted by FRS 17. (See also note 18 to the financial statements).

6 ANALYSIS OF EXPENDITURE

	Staff costs	Dep'n	Other operating expenses	2010 Total	2009 Total
	£'000	£'000	£'000	£'000	£'000
Academic	3,377	-	1,022	4,399	4,257
Residences, catering and conferences	1,900	23	1,249	3,172	3,335
Premises	279	576	865	1,720	1,596
College administration	520	12	228	760	724
Endowment management	44	5	350	399	327
Fundraising (see note below)	147	-	140	287	266
Other	256	29	397	682	556
	6,523	645	4,251	11,419	11,061
Choir school				1,402	1,296
Interest payable				11	7
Contribution under Statute XV				225	153
Total expenditure				13,057	12,517

Fundraising for the College is also carried out by the New College Development Fund, an independent charitable trust not controlled by the College (see note 19).

The above analysis includes expenditure in respect of UK and European Union students met by publicly funded fee income amounting to £1,886,114 (2009 - £1,915,723).

Notes to the Financial Statements

6 ANALYSIS OF EXPENDITURE (CONTINUED)

	2010 £'000	2009 £'000
Interest payable relates to -		
Bank loans, overdrafts and other loans:		
Repayable within 5 years	11	7
Repayable wholly or partly in more than 5 years	-	-
Finance leases	-	-
	11	7
Other operating expenses include auditors' remuneration:		
in respect of the audit of these financial statements	17	15
in respect of other services	5	-
	22	15

7 TAXATION

	£'000	£'000
United Kingdom corporation tax	-	-
	-	-

8 TANGIBLE FIXED ASSETS

	Land & buildings		Equipment	Total
	Freehold £'000	Long leasehold £'000	£'000	£'000
Cost				
At start of year	22,176	-	656	22,832
Additions	93	-	46	139
Disposals	-	-	(3)	(3)
At end of year	22,269	-	699	22,968
Depreciation				
At start of year	5,438	-	480	5,918
Charge for period	568	-	77	645
On disposals	-	-	(3)	(3)
At end of year	6,006	-	554	6,560
Net book value				
At end of year	16,263	-	145	16,408
At start of year	16,738	-	176	16,914

No assets were held under finance leases during the year.

9 FIXED ASSET INVESTMENTS

	2010 £'000	2009 £'000
At cost		
Investment in subsidiary company	1	1
	1	1

The College owns 100% of the issued share capital of Longwall Limited, a dormant company incorporated in England and Wales.

Notes to the Financial Statements

10 ENDOWMENT ASSET INVESTMENTS

	Securities & cash £'000	Land & property £'000	Total £'000
At market value			
At start of year	90,237	32,515	122,752
Purchases at cost	40,567	482	41,049
Sales proceeds	(41,488)	-	(41,488)
Decrease in cash held by fund manager	(548)		(548)
Revaluation gains and losses	9,343	2,118	11,461
At end of year	98,111	35,115	133,226
Analysed as			
Fixed interest stocks (listed)	5,359		
Equities (listed)	65,163		
Unlisted securities	22,652		
Cash (including in transit)	4,937		
	98,111		
Historical cost at end of year	92,757		

Estates land and property valuations as at 31 July have been made by Miles Tuely FRICS, the College land agent, the basis being market value.

11 DEBTORS

	2010 £'000	2009 £'000
Amounts falling due within one year		
Trade debtors	635	482
Amounts owed by College members	135	107
Loans	26	24
Prepayments and accrued income	962	854
Other debtors	-	2
Amounts falling due after more than one year		
Loans	10	14
Other debtors	-	-
	1,768	1,483

Notes to the Financial Statements

12 CREDITORS: AMOUNT FALLING DUE WITHIN ONE YEAR

	2010	<i>2009</i>
	£'000	£'000
Bank loans and overdrafts	-	-
Obligations under finance leases	-	-
Unsecured loans	854	768
Trade creditors	334	421
College Contribution	210	190
Corporation tax	-	-
Other taxation and social security	154	129
Accruals and deferred income	278	157
Other creditors	192	76
	2,022	<i>1,741</i>

13 CREDITORS: AMOUNT FALLING DUE AFTER MORE THAN ONE YEAR

	£'000	£'000
Bank loans	-	-
Obligations under finance leases	-	-
Other creditors	-	-
	-	-

14 DEFERRED CAPITAL

	£'000	£'000
At start of year	6,263	6,393
New capital	187	-
Released to income and expenditure account	(130)	(130)
At end of year	6,320	<i>6,263</i>

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

Notes to the Financial Statements

15 ENDOWMENTS

	Specific £'000	General £'000	Total £'000
At start of year	5,363	117,389	122,752
Endowments received	-	-	-
Appreciation of endowment investments	487	10,974	11,461
Income receivable from endowment asset investments	148	3,176	3,324
Transferred to income and expenditure account (note 3)	(140)	(4,284)	(4,424)
Capital grant from the University	-	-	-
Transfer to reserves	-	113	113
At end of year	5,858	127,368	133,226

Endowments comprise those funds which are regarded as for the long term and which fundamentally underpin and sustain the operation of the College at its desired level of activity.

Specific Endowments are those bequests and gifts where the use of the capital and income, or only the income, is for a specific purpose or activity so designated by the donor and which can only be used for that purpose or activity.

General Endowments represent the corporate capital of the College and include bequests and gifts where the use of the capital and income, or only the income, is for the general purposes of the College. Part of these funds may have been designated for a particular purpose by the Governing Body.

Specific endowments include funds valued at £129k which provide income for purposes that lie outside the objects of the College. Income arising amounted to £3k.

The net transfer from reserves of £112k relates to internal lending to finance the building refurbishment programme. The loan is being repaid by sinking fund at 3.5% over 40 years.

16 RESERVES

DESIGNATED RESERVES

		£'000
At start of year		1,307
Transfers to general reserve		(447)
At end of year		860

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:

	2010 £'000	2009 £'000
Reserve for replacement and maintenance of functional buildings	641	730
Other designated reserves	219	577
	860	1,307

Notes to the Financial Statements

16 RESERVES (continued)

GENERAL RESERVES

		£'000
At start of year	10,232	
Deficit from income and expenditure account	(636)	
Transfer from endowment	3	
Capital repaid to endowment	(116)	
Transfers from designated reserves	447	
At end of year	9,930	

	2010 £'000	2009 £'000
Representing:		
Undepreciated cost of tangible fixed assets financed out of general reserve	9,498	9,786
College general reserve	432	446
	9,930	10,232

17 CAPITAL COMMITMENTS

The College had no capital commitments at 31 July 2010 (2009 - £nil).

18 FINANCIAL COMMITMENTS

The College has an annual pensions commitment to a number of retired employees whose service predated the introduction of the main occupational schemes (see note 5). These payments, which are subject to annual inflationary increases, currently total £15,000 per annum, and the net present value of future payments is estimated to be of the order of £150,000.

19 RELATED PARTY TRANSACTIONS

New College is in receipt of donations from New College Development Fund, an independent trust registered as a charity with the Charity Commission under the Charities Act 1993 (charity registration number 900202). The principal but not exclusive purpose of the Trust is the provision of funds for educational and related purposes at New College. The College is represented on the Board of Trustees of the Fund, but does not exercise financial and operational control over the charity; accordingly the assets of the Fund have not been consolidated in these financial statements.

The following figures have been extracted from the audited financial statements of New College Development Fund for the year ended 31 July 2010, computed in accordance with UK Accounting Standards.

	2010 £'000	2009 £'000
Total net assets at 31 July	11,068	9,373
Total incoming resources for the year	1,660	1,092
Total resources donated to New College in the year	1,160	994

New College is recognised as a college of the University of Oxford and is part of the collegiate University. Material inter-dependencies 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").

Notes to the Financial Statements

19 RELATED PARTY TRANSACTIONS (CONTINUED)

Members of the Governing Body receive remuneration and facilities as employees of New College. Normal remuneration of, and standard arrangements with, members of the Governing Body are not treated as related party transactions.

20 POST BALANCE SHEET EVENTS

No material event occurred after the date of the balance sheet the disclosure of which is deemed to be required for a proper understanding of the financial position.

21 RECONCILIATION OF CONSOLIDATED OPERATING DEFICIT TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2010	2009
	£'000	£'000
Deficit for the year	(636)	(602)
Depreciation	645	653
Deferred capital released to income (note 2)	(130)	(130)
Endowment income and interest receivable (note 3)	(4,433)	(4,405)
Interest payable	11	7
Increase in stocks	(5)	(31)
Increase in debtors	(285)	(46)
(Decrease)/increase in creditors	281	(205)
	(4,552)	(4,759)

22 MANAGEMENT OF LIQUID RESOURCES

	£'000	£'000
Net purchase of investments	-	(18)
Net (increase)/decrease in deposits	(13)	472
	(13)	454

23 FINANCING

	£'000	£'000
Repayments of amounts borrowed	-	-
Capital element of finance lease rental payments	-	-
	-	-

24 ANALYSIS OF CHANGES IN NET FUNDS

	2010	Changes	2009
	£'000	£'000	£'000
Cash at bank and in hand	65	(208)	273
Endowment assets cash	4,937	(548)	5,485
	5,002	(756)	5,758
Current asset investments	525	13	512
Debt due after 1 year	-	-	-
Finance leases	-	-	-
	5,527	(743)	6,270

25 CONTINGENT LIABILITIES

There were no contingent liabilities at 31 July 2010.