



Nuffield College Oxford

Financial Statements and Report of the Governing Body

31 July 2010

NUFFIELD COLLEGE

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2010

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REPORT OF THE INDEPENDENT AUDITORS TO THE GOVERNING BODY OF NUFFIELD COLLEGE

We have audited the financial statements of Nuffield 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 24. These financial statements have been prepared under the accounting policies set out therein.

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

RESPECTIVE RESPONSIBILITIES OF THE GOVERNING BODY AND AUDITORS

The Governing Body's responsibilities for preparing the Report of the Governing Body and the financial statements in accordance with the provisions of Statute XV made by the University of Oxford under the Universities of Oxford and Cambridge Act, 1923, and of Regulations for the accounts of the colleges made thereunder, are set out in the Responsibilities of the Governing Body. The Governing Body are also responsible for the preparation of the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the provisions of Statute XV made by the University of Oxford under the Universities of Oxford and Cambridge Act, 1923, and of Regulations for the accounts of the colleges made thereunder. We also report to you if, in our opinion, the Report of the Governing Body is not consistent with the financial statements, if the College has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read the other information contained in the Report of the Governing Body and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements, or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

BASIS OF OPINION

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

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

OPINION

In our opinion:

a) the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the College as at 31 July 2010 and of its surplus for the year then ended; and

b) the financial statements have been properly prepared in accordance with the provisions of Statute XV made by the University of Oxford under the Universities of Oxford and Cambridge Act, 1923, and of Regulations for the accounts of the colleges made thereunder, and:

c) in all material respects, income received from the University of Oxford out of grants from the Higher Education Funding Council for England during the year ended 31 July 2010 has been applied to the purposes for which it was received.

Critchleys LLP
Statutory Auditors
Chartered Accountants
Oxford

Nuffield College Responsibilities of the Governing Body

In accordance with the Royal Charter granted in 1958, the government of the College is vested entirely in the Governing Body.

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

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

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

The Governing Body has taken reasonable steps to:

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

Any system of 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 Governing Body must ensure that the property and income of the College are applied only in support of purposes which are charitable in law.

Nuffield College

Report of the Governing Body

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

Status

Nuffield College is a chartered charitable corporation. It was founded by Viscount Nuffield under a Deed of Covenant and Trust dated 16 November 1937 and was granted the Royal Charter of Queen Elizabeth the Second on 18 April 1958. The corporation comprises the Warden and Fellows. The College is an exempt charity under s3(5a) Charities Act 1993 (as listed in Schedule 2 (b) to that Act).

Objects

As set out in the Charter, the College exists to encourage post-graduate research in the field of social studies, especially by making easier the co-operation of academic and non-academic persons.

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 Royal Charter of 1958, 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 Warden and is advised by a range of committees. The Strategy and Resources Committee prepares evaluated proposals and reports for consideration by Governing Body. The Personnel and Domestic Committee monitors Health and Safety. The Investment Committee and the Audit Committee both have outside members. The Governing Body also takes advice from an external Fellows' Remuneration Review Committee.

Scope of the Financial Statements

The financial statements have been prepared in accordance with the Statement of Principal Accounting Policies. The financial statements consolidate the accounts of the College's wholly owned subsidiary undertaking, Nuffield Properties Limited. The company did not undertake any activity during the year.

Review of operations and finance

It should be noted that the College's activities are largely funded by the endowment. Governing Body has the responsibility for determining the appropriate level of expenditure that can be afforded from the endowment. For this purpose the College uses an endowment expenditure rule (EER) designed to balance two competing goals. The first is to provide the substantial flow of income required by the operating budget in a stable stream, so avoiding large fluctuations in income which are hard to accommodate. The second is to preserve the purchasing power of endowment funds in perpetuity at today's levels, adjusted for inflation.

Nuffield's rule attempts to meet these goals by using a long-term spending rate combined with a smoothing rule which adjusts spending gradually in accordance with changes in the endowment's market value (after costs). The amount released under the EER is currently based on an income component, determined by a weighted average of allowable prior spending adjusted for inflation (80% weight) and a market component, the amount which would have been spent using 4.3% of the current endowment value (20% weight). This smoothing results in a lag in reaching the long term rate. The sum of the income and market components is the total endowment income available for spending.

The application of the EER equated to a drawdown rate of 5.2% (2009: 4.4%) of the opening valuation of the endowment funds.

Investments

The Investment Committee has continued to pursue a total return policy for investment income. Total return for the year was 14% (2009: negative 5.9%). The endowment is invested in equities 52%, cash and bonds 6% and alternative investments 2%. The property portfolio is directly invested in England and Scotland and Europe, and includes a mix of retail, official and industrial premises. Altogether the property portfolio accounts for the remaining 40% of the endowment (2009: 41%)

Policy on Socially Responsible investment

Nuffield College seeks to invest in companies that will successfully develop their businesses financially in the interests of their shareholders. It is common sense that good companies will normally be ones which demonstrate responsible employment and best corporate governance practices, are conscientious with regard to environmental performance and human rights and act with sensitivity to the communities in which they operate. The use of 'positive' ethical criteria is thereby incorporated within our policy on socially responsible investment.

Reserves

The College is satisfied that it maintains adequate reserves for an endowed institution.

Risk management

The major risks to which the College is exposed, as identified by Governing Body, have been reviewed and systems based on the college committee structure have been established to mitigate these risks. The terms of reference of all the major committees are reviewed annually by Governing Body.

Approved by the Governing Body on 3 November 2010

S J Nickell
Warden

Nuffield 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 of its subsidiary undertaking Nuffield Properties Limited. The accounts of the affiliated student body (Nuffield College Junior Common Room) 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 investment funds representing specific endowment is credited to the income and expenditure account according to the endowment expenditure rule (EER) that currently combines the long term spending rate of 4.3% with a weighted average of previous allowable expenditure, up to the extent of the relevant expenditure incurred during the year.

Income from investment funds representing general endowment is credited to the income and expenditure account according to the EER that currently combines the long term spending rate of 4.3% with a weighted average of previous allowable expenditure. The long term rate of 4.3% is reviewed annually by the Investment Committee and adjusted if necessary.

General donations

Unrestricted donations and benefactions are credited to income and expenditure account on a receivable 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. Variations from the regular cost are spread over the expected average remaining working lives of members of the schemes.

Tangible fixed assets

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

Freehold buildings	50 years
Leasehold properties	50 years or period of lease if shorter
Building improvements	25 years
Equipment	3 years

Freehold land is not depreciated. With effect from 1 August 2006 joint equity properties have not been 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.

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

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

Stocks

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

Maintenance of premises

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

Provisions

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

Leases

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, the College is potentially exempt from taxation in respect of income or capital gains received within categories covered by Section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes. The College is also potentially exempt from Stamp Duty. 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. Contributions are calculated annually in accordance with regulations made by Council.

NUFFIELD COLLEGE
Income and Expenditure Account
Year ended 31 July 2010

	Notes	2010 £000	2009 £000
INCOME			
Academic fees, tuition income and other HEFCE support	1	309	303
Research grants and contracts	2	108	85
Other operating income	3	673	697
Endowment return and interest receivable	4	6,582	6,213
Total income		<u>7,672</u>	<u>7,298</u>
EXPENDITURE			
Staff costs	5/6	4,629	4,400
Depreciation		139	139
Other operating expenses		1,883	2,316
Interest payable		-	7
Contribution under Statute XV		186	200
Contribution reduction for prior year		(14)	(25)
Total expenditure	7	<u>6,823</u>	<u>7,037</u>
Surplus/(Deficit) for the year on continuing operations before taxation and disposal of fixed assets		849	261
Surplus/(Deficit) on disposal of fixed assets		27	(23)
Surplus/(Deficit) for the year after taxation		<u>876</u>	<u>238</u>

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

	Notes	2010 £000	2009 £000
Reserves			
Surplus/(Deficit) for the year		876	238
Endowments			
Income receivable from endowment asset investments	14	6,350	6,000
Endowment return transferred to income and expenditure account	14	(6,531)	(6,163)
Appreciation (depreciation) of endowment asset investments, net of costs	14	11,610	(14,186)
Total recognised gains (losses) relating to the year		<u>12,305</u>	<u>(14,111)</u>
Opening fund balances	24	135,710	149,821
Closing fund balances		<u>148,015</u>	<u>135,710</u>

NUFFIELD COLLEGE
Balance Sheet
As at 31 July 2010

	Notes	2010 £000	2009 £000
Fixed assets			
Tangible assets	8	7,923	7,429
Investments	9	0	1
		<u>7,923</u>	<u>7,430</u>
Endowment asset investments			
Securities and cash deposits		83,917	74,416
Land and property		61,099	59,171
	10	<u>145,016</u>	<u>133,587</u>
Financed by Loans	13	(7,000)	(7,000)
	10	<u>138,016</u>	<u>126,587</u>
Current assets:			
Stocks		87	73
Debtors	11	1,094	551
Short term investments	23	14	12
Cash at bank and in hand	23	2,005	2,276
		<u>3,200</u>	<u>2,912</u>
Creditors:			
Amounts falling due within one year	12	(1,124)	(1,219)
		<u>2,076</u>	<u>1,693</u>
Net current assets (liabilities)			
		<u>2,076</u>	<u>1,693</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		148,015	135,710
Creditors:			
Amounts falling due after more than one year		-	-
TOTAL NET ASSETS		<u>148,015</u>	<u>135,710</u>
Endowments			
Specific		18,890	15,991
General		119,126	110,596
	14	<u>138,016</u>	<u>126,587</u>
Reserves			
Designated reserves	15	218	245
General reserves	15	9,781	8,878
		<u>9,999</u>	<u>9,123</u>
TOTAL FUNDS		<u>148,015</u>	<u>135,710</u>

The Financial Statements were approved by the Governing Body of NUFFIELD COLLEGE on: 3 November 2010

S J Nickell
Warden

G F Hughes
Bursar

NUFFIELD COLLEGE
Cashflow Statement
Year ended 31 July 2010

	Note	2010 £000	2009 £000
Net cash outflow from operating activities	21	<u>(6,248)</u>	<u>(5,266)</u>
Returns on investments and servicing of finance			
Income from endowments received		6,344	6,000
Other income from investments and interest received		<u>51</u>	<u>50</u>
		6,395	6,050
Interest paid		(115)	(7)
Net cash inflow from returns on investments and servicing of finance		<u>6,280</u>	<u>6,043</u>
Capital expenditure and financial investment			
Net realisation/(acquisition) of tangible fixed assets		(606)	552
Net realisation/(acquisition) of endowment asset investments		<u>(1,817)</u>	<u>(9,930)</u>
Net cash inflow (outflow) from capital expenditure and financial investment		<u>(2,423)</u>	<u>(9,378)</u>
Net cash (outflow)/inflow before use of liquid resources and financing		(2,391)	(8,601)
Management of liquid resources		(2)	475
Financing	22	-	7,000
Increase/(decrease) in cash	23	<u>(2,393)</u>	<u>(1,126)</u>
Reconciliation of net cash flow to movement in net funds			
Increase/(decrease) in cash for the year		(2,393)	(1,126)
Increase/(decrease) in liquid resources and current asset investments		2	(475)
Change in net debt resulting from cash flows		0	(7,000)
Change in net funds		<u>(2,391)</u>	<u>(8,601)</u>
Increase in net funds as a result of currency exchange revaluation		379	159
Net funds at 1 August 2009		5,338	13,780
Net funds at 31 July 2010		<u>3,326</u>	<u>5,338</u>

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

	2010	2009
	£000	£000
1 ACADEMIC FEES AND TUITION INCOME		
Tuition fees from UK and European Union students	96	99
Tuition fees from overseas students	75	81
Other fees	4	6
Other tuition income and HEFCE support	134	117
	<u>309</u>	<u>303</u>
The above analysis includes support from the University from HEFCE funds amounting to £136k (2009 = £133k).		
2 RESEARCH GRANTS AND CONTRACTS	£000	£000
Research councils	19	22
UK based charities	-	-
European commission	85	70
Other grants and contracts	4	(7)
	<u>108</u>	<u>85</u>
3 OTHER OPERATING INCOME	£000	£000
Residential income from college members	404	426
Conference and function income	4	18
Grants and donations	24	146
Other income	241	107
	<u>673</u>	<u>697</u>
4 ENDOWMENT RETURN AND INTEREST RECEIVABLE	£000	£000
Transferred from specific endowments (note 14)	723	729
Transferred from general endowments (note 14)	5,808	5,434
Other investment income	-	-
Other interest receivable	51	50
	<u>6,582</u>	<u>6,213</u>
5 STAFF COSTS	£000	£000
Gross pay	3,590	3,467
Social security costs	320	305
Other pension costs	523	477
Other staff costs	151	113
Other benefits	45	38
	<u>4,629</u>	<u>4,400</u>

6 PENSION SCHEMES

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

In the event of the withdrawal of any of the participating employers in USS, the amount of any pension 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.

The College has made available a Stakeholder Scheme for individual employees, but does not contribute to that scheme.

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	31/07/2010

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

Notes:

- a USS' actuary will undertake an actuarial valuation of the Scheme as at 31 March 2011, the results of which are not expected to be finalised until December 2011, with publication of the final results in 2012.
- b In the light of the considerable swings in markets since the valuation 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.
- c OSPS' actuarial valuation as at 31 July 2007 identified a required long-term employer contribution rate of 17.85% of total pensionable salaries, but also a funding deficit of £43.2m. The University, on behalf of all the employers participating in the scheme, has agreed with the trustees of OSPS to address this deficit by increasing the employer contribution rate to the previously agreed rate of 21.5% of total pensionable salaries with effect from 1 August 2008. The actuary has certified that the additional 3.65% contribution should eliminate the deficit by 31 July 2025.
- d Since 31 March 2008, global investment markets have continued to fluctuate and the actuary has estimated the funding level of USS had fallen from 103% at 31 March 2008 to 91% (a deficit of £3,065m) at 31 March 2010. This estimate is based on the funding level at 31 March 2008, adjusted to reflect the fund's actual investment performance over the two years and changes in market conditions (market conditions affect both the valuation rate of interest and also the inflation assumption which in turn impacts on the salary and pension increase assumptions). On the FRS17 basis, the actuary estimated that the funding level at 31 March 2010 was 80% and on a buy out basis was approximately 57%.
- 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.

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
Valuation rate of interest	increase/decrease by 0.5%	decrease / increase by £2.2bn	decrease / increase by £30m
Rate of pension increases	increase/decrease by 0.5%	increase / decrease by £1.5bn	increase / decrease by £20m
Rate of salary growth	increase/decrease by 0.5%	increase / decrease by £0.7bn	increase / decrease by £7m
Rate of mortality	more prudent assumption (mortality used at last valuation, rated down by a further year)	increase by £1.6bn	increase by £10m

Pension charge for the year:

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

	2010	2009
	£000	£000
Universities Superannuation Scheme	343	282
University of Oxford Staff Pension Scheme	180	195
Other schemes	-	-
	523	477

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

7 ANALYSIS OF EXPENDITURE

	Staff costs	Depreciation	Other operating expenses	2010 Total	2009 Total
	£000	£000	£000	£000	£000
Academic	3,280	-	903	4,183	4,251
Residences, catering and conferences	642	-	381	1,023	1,043
Premises	109	139	403	651	600
College administration	543	-	90	633	687
Endowment management	51	-	20	71	106
Fundraising	4	-	10	14	-
Other	-	-	76	76	168
	<u>4,629</u>	<u>139</u>	<u>1,883</u>	<u>6,651</u>	<u>6,855</u>
Interest payable				-	7
Contribution under Statute XV				186	200
Contribution reduction 2009				(14)	(25)
Total expenditure				<u>6,823</u>	<u>7,037</u>
				£000	£000
Interest payable relates to -					
Bank Loan				-	7
				<u>-</u>	<u>7</u>
Other operating expenses include auditors' remuneration:					
in respect of the audit of these financial statements				15	14
in respect of other services				<u>-</u>	<u>-</u>

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

8 TANGIBLE FIXED ASSETS

	Land & Buildings		Equipment £000	Total £000
	Freehold £000	Long leasehold £000		
Cost				
At start of year	8,007	2,169	108	10,284
Additions	371	331	-	702
Disposals	(80)	-	-	(80)
At end of year	<u>8,298</u>	<u>2,500</u>	<u>108</u>	<u>10,906</u>
Depreciation				
At start of year	2,338	409	108	2,855
Charge for period	100	39	-	139
On disposals	(11)	-	-	(11)
At end of year	<u>2,427</u>	<u>448</u>	<u>108</u>	<u>2,983</u>
Net book value				
At end of year	<u>5,871</u>	<u>2,052</u>	<u>-</u>	<u>7,923</u>
At start of year	<u>5,669</u>	<u>1,760</u>	<u>-</u>	<u>7,429</u>

9 FIXED ASSET INVESTMENTS

	2010 £000	2009 £000
At cost		
Investment in subsidiary company	<u>-</u>	<u>1</u>

The College owns 100% of the issued share capital of Nuffield Properties Limited, a company incorporated in England and Wales. The principal business activity of Nuffield Properties Limited was property development. The company is not active at present.

10 ENDOWMENT ASSET INVESTMENTS

	Securities & cash £000	Land & property £000	Total £000
At market value			
At start of year	74,416	59,171	133,587
Purchases at cost	8,079	206	8,285
Sales proceeds	(7,254)	-	(7,254)
Increase in cash	(2,122)	-	(2,122)
Revaluation gains/(losses)	10,798	1,722	12,520
At end of year	<u>83,917</u>	<u>61,099</u>	<u>145,016</u>
Financed by loans	<u>-</u>	<u>(7,000)</u>	<u>(7,000)</u>
	<u>83,917</u>	<u>54,099</u>	<u>138,016</u>
Analysed as:			
Fixed interest stocks (listed)	3,097		
Equities (listed)	67,062		
Unlisted securities	5,451		
Cash	8,307		
	<u>83,917</u>		
Historical cost at end of year	<u>69,460</u>		

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

11 DEBTORS

	2010 £000	2009 £000
Amounts falling due within one year		
Trade debtors	696	501
Amounts owed by College members	319	27
Loans	-	-
Prepayments and accrued income	79	23
	<u>1,094</u>	<u>551</u>

12 CREDITORS: AMOUNT FALLING DUE WITHIN ONE YEAR

	£000	£000
Obligations under finance leases/loans	11	-
Trade creditors	216	289
College Contribution	186	200
Corporation tax	-	-
Other taxation and social security	240	201
Accruals and deferred income	365	358
Other creditors	106	171
	<u>1,124</u>	<u>1,219</u>

13 CREDITORS: AMOUNT FALLING DUE AFTER MORE THAN ONE YEAR

	2010 £000	2009 £000
Bank Loan:	<u>7,000</u>	<u>7,000</u>
	<u>7,000</u>	<u>7,000</u>

A loan of up to £10million was arranged in 2008/09 with Royal Bank of Scotland to fund the purchase of Investment Properties. Two tranches of £3m and £4m have been drawn. The loan is repayable without penalty within 15 years (2024) and the interest rate is 1% over LIBOR.

NUFFIELD COLLEGE
Notes to the Financial Statements
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14 ENDOWMENTS

	Specific £000	General £000	Total £000
At start of year	15,991	110,596	126,587
Appreciation (depreciation) of endowment investments	3,099	9,421	12,520
Investment management costs	(101)	(690)	(791)
Interest payable	-	(119)	(119)
Income receivable from endowment asset investments	624	5,726	6,350
Transferred to income and expenditure account (note 4)	(723)	(5,808)	(6,531)
Transfer from reserves	-	-	-
At end of year	18,890	119,126	138,016

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. With effect from 2009 the main management costs of the endowment are charged to endowment capital.

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	245
Transfers (to) from general reserves	(27)
At end of year	218

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 the following:

	2010 £000	2009 £000
Economics Research Fund	2	2
Studentship Appeal and Studentship Support	89	114
Vincent Wright Fund	3	3
Gorman Economics Fund	1	1
Semstat	5	5
European Foundation Travel	2	2
Overhead Funds	116	118
	218	245

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

GENERAL RESERVES

	£000
At start of year	8,878
Surplus/(Deficit) from income and expenditure account	876
Transfers (to) from designated reserves	27

At end of year	<u>9,781</u>
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	2010 £000	2009 £000
Representing:		
Undepreciated cost of tangible fixed assets financed out of general reserve	7,923	7,429
College general reserve	1,858	1,449
	<u>9,781</u>	<u>8,878</u>

16 CAPITAL COMMITMENTS

Commitments entered into by 31 July 2010 but not yet provided for in the Financial Statements amounted to £4,208k (£1,673k, 2009), being future commitments to Private Equity/Venture Capital Funds.

17 FINANCIAL COMMITMENTS

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

	2010 £000	2009 £000
Expiring within one year	-	-
Expiring between two and five years inclusive	-	-
	<u>-</u>	<u>-</u>

18 POST BALANCE SHEET EVENTS

There are no material events occurring after the date of the balance sheet where disclosure is deemed to contribute to a proper understanding of the financial statements.

19 CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets and liabilities as at the year end date.

20 RELATED PARTY TRANSACTIONS

Within the debtors figure, the College has a £310k short-term bridging loan to a member of the Governing Body, which is repayable with interest.

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

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

	2010 £000	2009 £000
Surplus/(Deficit) for the year before surplus on disposal of fixed assets	849	261
Depreciation	139	139
Endowment income and interest receivable	(6,582)	(6,213)
Interest payable	-	7
(Increase)/Decrease in stocks	(14)	2
(Increase)/Decrease in debtors	(543)	179
Increase/(Decrease) in creditors	(95)	359
(Increase) in short term investments	(2)	-
Net cash outflow from operating activities	<u>(6,248)</u>	<u>(5,266)</u>

22 FINANCING

	2010 £000	2009 £000
New loans	-	7,000
Repayments of amounts borrowed	-	-
Capital element of finance lease rental payments	-	-
	<u>-</u>	<u>7,000</u>

23 ANALYSIS OF CHANGES IN NET FUNDS

	2010 £000	Changes £000	Exchange Revaluation £000	2009 £000
Cash at bank and in hand	2,005	(271)		2,276
Endowment assets cash	8,307	(2,122)	379	10,050
	<u>10,312</u>	<u>(2,393)</u>	<u>379</u>	<u>12,326</u>
Current asset investments	14	2		12
Finance leases	-	-		-
Bank Loan relating to Endowment	(7,000)	-		(7,000)
	<u>3,326</u>	<u>(2,391)</u>	<u>379</u>	<u>5,338</u>

24 CONSOLIDATED ACCOUNTS

From 2009/10, the Financial Statements are for the College only, rather than Consolidated to include Nuffield Properties Limited. Nuffield Properties Limited has been dormant for some years and will be re-included should it become active again in the future. Consequently the fund balances at 31 July 2009 as shown in the Statement of Total Recognised Gains and Losses represent the College funds of £135,710 rather than the Consolidated funds of £135,705.