



# **St Edmund Hall, Oxford**

## **Annual Report and Financial Statements**

*For the year ended 31 July 2010*

**St Edmund Hall, Oxford**  
**Annual Report and Financial Statements**

**Contents**

Report of the Governing Body

Responsibilities of the Governing Body

Report of the Independent Auditors to the Governing Body of St Edmund Hall

Statement of Principal Accounting Policies

Income and Expenditure Account

Balance Sheet

Cashflow Statement

Notes to the Financial Statements

## **ST EDMUND HALL**

### **Report of the Governing Body**

The Governing Body of St Edmund Hall presents the annual report and financial statements for the year ended 31 July 2010.

#### **Status**

St Edmund Hall is an eleemosynary chartered charitable corporation aggregate. It was incorporated under a Royal Charter dated 15 February 1957, although the Hall has been in existence since the 14th century. The corporate name of the College is the Principal, Fellows and Scholars of St Edmund Hall in the University of Oxford. The College has been until now (including this accounting year) an exempt charity under s3(5a) Charities Act 1993 (as listed in Schedule 2(b) to that Act), and this report and financial statements are prepared in the appropriate form for that status. However, under the Charities Act 2006 Oxford and Cambridge Colleges cannot continue to be exempt charities and on 13th August 2010 the College registered with the Charity Commission (registered number 1137470). These accounts for 2009/10 will subsequently be redrafted to comply with the requirements of the Statement of Recommended Practice (SORP) for Charities and published in next year's accounts for comparative purposes.

#### **Objects**

Under its Statutes, the College exists to provide, promote and engage in education, learning and research.

#### **Governance**

The Governing Body of the College comprises the Principal and most of the Fellows. This body is constituted and regulated in accordance with the College Statutes, the terms of which are enforceable ultimately by the Visitor, the Chancellor of the University of Oxford. The College Statutes are as made from time to time by order of Her Majesty in Council. 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 served by a range of committees which include the Academic Committee, Finance Committee (and Investment Sub-Committee) and the Development Committee. There is also a Board of External Advisers.

#### **Review of operations and finance**

In October 2009 Professor Keith Gull CBE FRS succeeded Professor Mike Mingos FRS as Principal of the College.

In 2009-10 the College comprised the Principal and 54 Fellows, 39 Lecturers, 404 undergraduate students, 179 graduate students and 25 (full-time equivalent) visiting students. The total of 608 students was an increase of 61 over the previous year.

Of 28 Tutorial Fellows, 18 have been accorded the title of Professor or Reader by the University. In 2009-10 109 undergraduates took their final examinations and 24 obtained First-Class degrees.

107 undergraduates received Bursaries on the basis of financial need, funded by the University, the College and donations from old members.

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 Oxford and Cambridge Act, 1923. The accounting format complies in all material aspects with recognized accounting standards. The basis used for preparation of the figures is more fully explained in the statement of accounting policies and the notes to the financial statements.

Income, on page 8 of the accounts, increased by 2.2% to £6.8m, compared with a 2.3% rise in the previous year. Expenditure of £6.7m was up by 1.4%, compared with 9.4% in the previous year. As a result the surplus on the Income and Expenditure Account increased to £103k, from £50k in 2009/10. The surplus will be applied to the development of college facilities in future years.

Recognized gains of £2.3m reflected a generally good year for the equity and capital markets, after a loss of £2.6m in 2009. While the College still receives, as a 'poor college', grants from the College Contributions Fund, the College's assets have in recent years risen just above the threshold for contributions into that fund.

The College continues to operate in difficult conditions. Academic income continues to be constrained by government policy. The scope for fee increases is strictly limited, and such increases as have been allowed have been partially offset by the provision of bursaries for less well-off students. Furthermore recent changes to the system of allocation of joint academic income between university and colleges have resulted in some loss of income to the College. The College awaits the outcome of the Browne Committee on university finance, but in general the prospects for public expenditure on higher education are not promising.

**ST EDMUND HALL**  
**Report of the Governing Body**

**Investment performance**

The Investment Sub-committee is comprised of Fellows and old members of the College with investment experience. The Investment Sub-Committee pursues a total investment return (from income and capital combined) objective. The total return on the main portfolios of stocks and shares was 12.3%, after fees.

The endowment is principally invested in two major components: the new Oxford Endowment Fund, managed by Oxford University Endowment Management; and a discretionary portfolio managed by Newton Investment Management Limited. The College manages some other assets, mainly cash, index-linked and alternative investments directly. All investments are kept under review by the Finance Bursar and the Investment Sub-committee. Performance is assessed against appropriate benchmarks.

The College's investment managers take advice from expert ethical investment advisors. The College makes every effort to be a responsible investor.

**Reserves**

The balance on reserves at the year end amounted to £8.4m (note 17). After allowing for amounts invested in fixed assets and designated reserves for special purposes, the College's general reserve was £ 1.0m. Three years ago the Governing Body reviewed the reserves of the College and concluded a general reserve of at least £1.0m should be established to allow the College to be managed efficiently and to provide a buffer that would ensure uninterrupted services. This equates to approximately two months of expenditure. The GB envisaged that achieving the uncommitted surpluses needed to increase the reserves would be a challenging target; nevertheless satisfactory progress has been made.

**Risk management**

The major risks to which the College are exposed, as identified by the Governing Body, have been reviewed and systems are in place to mitigate these risks.

The College is engaged in risk assessment on an ongoing basis. When it is not able to address risk issues using internal resources, the College takes advice from experts external to the College with specialist knowledge. Policies and procedures within the College are reviewed by the relevant College Committee, chaired by the Principal or one of the Bursars. Financial risks are assessed by the Finance Committee and investment risks are monitored by the Investment Sub-committee. In addition, the Home Bursar and domestic staff heads meet regularly to review health and safety issues. Training courses and other forms of career development are available, when requested, to members of staff to enhance their skills in risk-related areas.

Approved by the Governing Body on 3rd November 2010

Keith Gull  
Principal

## **ST EDMUND HALL**

### **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.

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.

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.

## **ST EDMUND HALL**

### **REPORT OF THE INDEPENDENT AUDITORS TO THE GOVERNING BODY OF ST EDMUND HALL**

We have audited the financial statements of St Edmund Hall 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 27. 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 the 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.

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 for which it was received.

**Crowe Clark Whitehill LLP**  
Chartered Accountants and Statutory Auditor

5th November 2010

St Bride's House  
10 Salisbury Square  
London EC4Y

## **ST EDMUND HALL**

### **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. In the light of proposed future movement of the College financial statements to the Charities SORP, which is expected to be implemented in conjunction with the registration of the Oxford Colleges with the Charity Commission, the University of Oxford College Accounts Committee has concluded that there is no benefit in amending the specific requirements this year.

The accounts of the affiliated bodies (St Edmund Hall Junior, Middle and Senior Common Rooms) have not been consolidated because the College does not control these activities.

The accounts of the College have been prepared under the amended College accounts regulations to show a true and fair view of the state of affairs of the College at 31 July 2010 and of its income and expenditure for the year then ended, in accordance with UK Generally Accepted Accounting Practices.

#### **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 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 contributions**

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 pension schemes, and it is not possible to identify the assets of the schemes 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 accounted for in the period in which they are payable.

The College also contributes to individual personal pension schemes of employees. Contributions to these schemes are also accounted for 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	50 years
Leasehold properties	50 years or period of lease if shorter
Building improvements	50 years
Equipment	4 - 8 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 capitalized and depreciated over applicable periods. Buildings in the course of construction are not depreciated.

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.

## **ST EDMUND HALL**

### **Statement of Principal Accounting Policies**

The College operates a "de minimis" limit of £5000 for the capitalization 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**

Fixed asset and endowment asset investments are stated at market value at the balance sheet date. Current asset investments are stated at the lower of cost and net realizable value.

Surpluses or deficits arising on the revaluation or realization 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 realizable value. Where necessary, provision is made for obsolete, slow moving and defective stocks.

#### **Maintenance of premises**

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

#### **Provisions**

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

#### **Leases**

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

#### **Foreign currencies**

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at year-end rates of exchange or, where there are related forward foreign exchange contracts, at contract rates. The resultant exchange differences are included in the income and expenditure account for the year.

#### **Taxation status**

As an exempt charity within the meaning of Schedule 2 of the Charities Act 1993, the College is exempt from taxation in respect of income or capital gains received within categories covered by Sections 466 - 493 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 year to which it relates.



**ST EDMUND HALL**  
**Income and Expenditure Account**  
**Year ended 31 July 2010**

	Notes	2010 £000	2009 £000
<b>INCOME</b>			
Academic fees, tuition income and other HEFCE support	1	2,482	2,421
Research grants and contracts	2	70	33
Other operating income	3	3,267	3,250
Endowment return and interest receivable	4	979	948
<b>Total income</b>		<u>6,798</u>	<u>6,652</u>
<b>EXPENDITURE</b>			
Staff costs	5	4,068	4,002
Depreciation		347	338
Other operating expenses		2,280	2,262
Interest payable		1	2
Contribution under Statute XV		2	(1)
<b>Total expenditure</b>	6	<u>6,698</u>	<u>6,603</u>
Surplus for the year on continuing operations before taxation and disposal of fixed assets		100	49
Surplus on disposal of fixed assets		3	1
Taxation	7	-	-
<b>Surplus for the year after taxation</b>	8	<u>103</u>	<u>50</u>

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

	Notes	2010 £000	2009 £000
<b>Reserves</b>			
Surplus for the year		103	50
<b>Endowments</b>			
Income receivable from endowment asset investments	16	940	890
Endowment return transferred to income and expenditure account	16	(939)	(879)
Appreciation/(Depreciation) of endowment asset investments	16	2,343	(2,644)
New endowments received	16	883	529
<b>Other</b>			
Net additions to deferred capital	15	68	235
<b>Total recognised gains relating to the year</b>		<u>3,398</u>	<u>(1,819)</u>
Opening fund balances		37,269	39,088
Closing fund balances		<u>40,667</u>	<u>37,269</u>

**ST EDMUND HALL**  
**Balance Sheet**  
**As at 31 July 2010**

	Notes	2010 £000	2009 £000
<b>Fixed assets</b>			
Tangible assets	9	11,184	11,215
Investments	10	-	-
		<u>11,184</u>	<u>11,215</u>
<b>Endowment asset investments</b>			
Securities and cash deposits		26,520	23,306
Land and property		1,961	1,961
	11	<u>28,481</u>	<u>25,267</u>
<b>Current assets:</b>			
Stocks		143	148
Debtors	12	500	419
Short term investments		840	140
Cash at bank and in hand		420	884
		<u>1,903</u>	<u>1,591</u>
<b>Creditors:</b>			
Amounts falling due within one year	13	(840)	(724)
<b>Net current assets (liabilities)</b>		<u>1,063</u>	<u>867</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>40,728</u>	<u>37,349</u>
<b>Creditors:</b>			
Amounts falling due after more than one year	14	(61)	(80)
<b>TOTAL NET ASSETS</b>		<u>40,667</u>	<u>37,269</u>
<b>Deferred capital</b>	15	3,718	3,637
<b>Endowments</b>			
Specific		10,857	9,491
General		17,624	15,776
	16	<u>28,481</u>	<u>25,267</u>
<b>Reserves</b>			
Designated reserves		20	20
General reserves		8,448	8,345
	17	<u>8,468</u>	<u>8,365</u>
<b>TOTAL FUNDS</b>		<u>40,667</u>	<u>37,269</u>

The financial statements were approved by the Governing Body of St Edmund Hall on 3rd November 2010.

K Gull  
Principal

M D E Slater  
Finance Bursar

**ST EDMUND HALL**  
**Consolidated Cashflow Statement**  
**Year ended 31 July 2010**

	Notes	2010 £000	2009 £000
<b>Net cash inflow (outflow) from operating activities</b>	23	<u>(492)</u>	<u>(572)</u>
Returns on investments and servicing of finance			
Income from endowments received		940	890
Other income from investments and interest received		41	69
		<u>981</u>	<u>959</u>
Interest paid		(1)	(2)
Net cash inflow from returns on investments and servicing of finance		<u>980</u>	<u>957</u>
Capital expenditure and financial investment			
Net realisation/(acquisition) of tangible fixed assets		(316)	(500)
Net realisation/(acquisition) of fixed asset investments		-	-
Net realisation/(acquisition) of endowment asset investments		(2,864)	(4,953)
Endowments received		883	529
Deferred capital received		141	303
Net cash inflow (outflow) from capital expenditure and financial investment		<u>(2,156)</u>	<u>(4,621)</u>
<b>Net cash inflow before use of liquid resources and financing</b>		(1,668)	(4,236)
Management of liquid resources	24	(700)	(140)
Financing	25	(20)	(20)
<b>Increase/(decrease) in cash</b>	26	<u>(2,388)</u>	<u>(4,396)</u>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Increase/(decrease) in cash for the year		(2,388)	(4,396)
Increase/(decrease) in liquid resources and current asset investments		700	140
Increase/(decrease) in debt		81	(51)
Change in net funds		<u>(1,607)</u>	<u>(4,307)</u>
Net surplus of funds at 1 August 2009		4,685	8,992
<b>Net surplus of funds at 31 July 2010</b>		<u>3,078</u>	<u>4,685</u>

**ST EDMUND HALL**  
**Notes to the Financial Statements**  
**Year ended 31 July 2010**

<b>1 ACADEMIC FEES AND TUITION INCOME</b>	<b>2010</b>	<b>2009</b>
	<b>£000</b>	<b>£000</b>
Tuition fees from UK and European Union students	1,351	1,261
Tuition fees from overseas students	434	362
Other fees	294	343
Other tuition income	403	455
	<u>2,482</u>	<u>2,421</u>

The above analysis includes fee income in respect of UK and European Union publicly funded students amounting to £1,695,000 (2009 - £1,636,000).

<b>2 RESEARCH GRANTS AND CONTRACTS</b>	<b>£000</b>	<b>£000</b>
Research councils	40	33
UK based charities	-	-
European commission	-	-
Other grants and contracts	30	-
	<u>70</u>	<u>33</u>

<b>3 OTHER OPERATING INCOME</b>	<b>£000</b>	<b>£000</b>
Residential income from college members	1,924	1,873
Conference and function income	578	622
Grants and donations	674	645
Release of deferred capital contributions	73	68
Other income	18	42
	<u>3,267</u>	<u>3,250</u>

<b>4 ENDOWMENT RETURN AND INTEREST RECEIVABLE</b>	<b>£000</b>	<b>£000</b>
Transferred from specific endowments (note 16)	375	323
Transferred from general endowments (note 16)	563	556
Other investment income	39	67
Other interest receivable	2	2
	<u>979</u>	<u>948</u>

<b>5 STAFF COSTS</b>	<b>£000</b>	<b>£000</b>
Gross pay	3,387	3,355
Social Security costs	241	234
Other pension costs	424	397
Other benefits	16	16
	<u>4,068</u>	<u>4,002</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.

**ST EDMUND HALL**  
**Notes to the Financial Statements**  
**Year ended 31 July 2010**

**6 ANALYSIS OF EXPENDITURE**

	Staff costs £000	Depreciation £000	Other operating expenses £000	<b>2010</b> Total £000	2009 Total £000
Academic	1,586	-	656	2,242	2,049
Residences, catering and conferences	1,758	61	736	2,555	2,667
Premises	230	269	487	986	965
College administration	334	17	227	578	613
Endowment management	23	-	92	115	103
Fundraising	130	-	61	191	178
Other	7	-	21	28	27
	<u>4,068</u>	<u>347</u>	<u>2,280</u>	<u>6,695</u>	<u>6,602</u>

Interest payable				1	2
Contribution under Statute XV				2	(1)

<b>Total expenditure</b>				<u>6,698</u>	<u>6,603</u>
--------------------------	--	--	--	--------------	--------------

	<b>2010</b> £000	2009 £000
Interest payable relates to bank overdraft and other loans repayable within 5 years	<u>1</u>	<u>2</u>

Other operating expenses include auditors' remuneration:		
in respect of the audit of these financial statements	13	13
in respect of other services	<u>-</u>	<u>-</u>

The above analysis includes expenditure in respect of UK and European Union publicly funded students amounting to £1,695,000 (2009 - £1,636,000).

**7 TAXATION**

	£000	£000
United Kingdom corporation tax	<u>-</u>	<u>-</u>

**8 SURPLUS FOR THE YEAR**

	£000	£000
College's surplus for the year	<u>103</u>	<u>50</u>

**ST EDMUND HALL**  
**Notes to the Financial Statements**  
**Year ended 31 July 2010**

**9 TANGIBLE FIXED ASSETS**

	<b>Freehold land and buildings</b>	<b>Equipment</b>	<b>Total</b>
	£000	£000	£000
<b>Cost</b>			
At start of year	14,459	1,057	15,516
Additions	232	84	316
Disposals		(571)	(571)
At end of year	<u>14,691</u>	<u>570</u>	<u>15,261</u>
<b>Depreciation</b>			
At start of year	3,517	784	4,301
Charge for period	269	78	347
On Disposals		(571)	(571)
At end of year	<u>3,786</u>	<u>291</u>	<u>4,077</u>
<b>Net book value</b>			
At end of year	<u>10,905</u>	<u>279</u>	<u>11,184</u>
At start of year	<u>10,942</u>	<u>273</u>	<u>11,215</u>

**10 FIXED ASSET INVESTMENTS**

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

The College owns 100% of the issued share capital of St Edmund Hall Enterprises Limited, a company incorporated in England and Wales. This is a dormant company.

**11 ENDOWMENT ASSET INVESTMENTS**

	<b>Securities &amp; cash</b>	<b>Land &amp; property</b>	<b>Total</b>
	£000	£000	£000
<b>At market value</b>			
At start of year	23,306	1,961	25,267
Purchases at cost	6,293	-	6,293
Sales proceeds	(3,429)	-	(3,429)
Increase in cash held by fund manager	(1,993)	-	(1,993)
Revaluation gains	2,343	-	2,343
At end of year	<u>26,520</u>	<u>1,961</u>	<u>28,481</u>
Analysed as			
Fixed interest stocks (listed)	1,139		
Equities (listed)	23,764		
Unlisted securities	299		
Cash (including cash in transit)	1,318		
	<u>26,520</u>		
Historical cost at end of year	<u>23,625</u>		

The land and property was valued at 31 July 2009 by a firm of Chartered Surveyors Cluttons Styles & Whitlock, the basis being market value. The Governing Body consider that the values have not materially changed at 31st July 2010

**ST EDMUND HALL**  
**Notes to the Financial Statements**  
**Year ended 31 July 2010**

<b>12 DEBTORS</b>	<b>2010</b>	<b>2009</b>
	<b>£000</b>	<b>£000</b>
Amounts falling due within one year		
Trade debtors	240	197
Amounts owed by College members	111	81
Loans	4	6
Prepayments and accrued income	143	132
Amounts falling due after one year		
Loans	2	3
	<u>500</u>	<u>419</u>

<b>13 CREDITORS: AMOUNT FALLING DUE WITHIN ONE YEAR</b>	<b>£000</b>	<b>£000</b>
Bank loans and overdrafts	-	69
Unsecured loans	20	20
Trade creditors	414	286
College Contribution	2	1
Other taxation and social security	21	16
Amounts owed to College members	108	95
Accruals and deferred income	275	237
	<u>840</u>	<u>724</u>

<b>14 CREDITORS: AMOUNT FALLING DUE AFTER MORE THAN ONE YEAR</b>	<b>£000</b>	<b>£000</b>
Bank loans	40	60
Amounts owed to College members	21	20
	<u>61</u>	<u>80</u>

<b>15 DEFERRED CAPITAL</b>	<b>£000</b>
At start of year	3,637
Transfer from Specific Endowments	13
New capital	141
Released to income and expenditure account	(73)
<b>At end of year</b>	<u>3,718</u>

The continuing review of past donations has clarified that funds previously allocated to specific endowments were in fact funds for the recently completed student accommodation. Accordingly these funds were transferred to deferred capital. The balance of deferred capital represents unreleased capital on this accommodation and donations received to finance the construction of the new lecture theatre.

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.

**ST EDMUND HALL**  
**Notes to the Financial Statements**  
**Year ended 31 July 2010**

**16 ENDOWMENTS**

	Specific £000	General £000	Total £000
At start of year	9,491	15,776	25,267
Reallocation of opening balances	(88)	88	-
Endowments received	537	346	883
Appreciation of endowment investments	929	1,414	2,343
Income receivable from endowment asset investments	377	563	940
Transferred to income and expenditure account (note 4)	(376)	(563)	(939)
Transfer to deferred capital (see note 15)	(13)		(13)
<b>At end of year</b>	<u>10,857</u>	<u>17,624</u>	<u>28,481</u>

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 are those 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 specific purpose by the Governing Body.

The allocation of the opening balances between specific and general endowments were reassessed during the year and this resulted in a movement of £88k between specific and general endowments.

**17 RESERVES**

**DESIGNATED RESERVES**

	£000
At start of year	20
<b>At end of year</b>	<u>20</u>

Designated reserves are those reserves set aside by the College to be used for a special purpose, and which do not form part of College endowments.

**GENERAL RESERVES**

	£000	£000
At start of year		8,345
Transfer from specific endowment		-
Surplus from income and expenditure account		103
Net transfers (to)/from reserves		-
<b>At end of year</b>		<u>8,448</u>
	<b>2010</b>	2009
	£000	£000
Representing:		
Undepreciated cost of tangible fixed assets financed out of general reserve	7,406	7,497
College general reserve	1,043	847
	<u>8,449</u>	<u>8,344</u>



**ST EDMUND HALL**  
**Notes to the Financial Statements**  
**Year ended 31 July 2010**

<b>18 CAPITAL COMMITMENTS</b>	<b>2010</b>	2009
	£000	£000
Commitments contracted at 31 July	<u>-</u>	<u>-</u>

**19 FINANCIAL COMMITMENTS**

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

	£000	£000
Expiring within one year	2	2
Expiring between two and five years inclusive	-	-
Expiring in over five years	-	-
	<u>2</u>	<u>2</u>

**20 POST BALANCE SHEET EVENTS**

There have been no material post balance sheet events.

**21 CONTINGENT LIABILITIES**

There were no contingent liabilities at 31 July 2010

**22 RELATED PARTY TRANSACTIONS**

St Edmund Hall is recognised as a college of the University of Oxford and is part of the collegiate University. Material inter-dependencies of the University and the other 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 as employees of St Edmund Hall. Normal remuneration of, and standard arrangements with, members of the Governing Body are not treated as related party transactions.

**ST EDMUND HALL**  
**Notes to the Financial Statements**  
**Year ended 31 July 2010**

**23 RECONCILIATION OF OPERATING SURPLUS TO NET CASH  
INFLOW FROM OPERATING ACTIVITIES**

	<b>2010</b>	2009
	£000	£000
Surplus for the year	103	50
Depreciation	347	338
Deferred Capital Released to income (see note 3)	(73)	(68)
Endowment income and interest receivable	(979)	(948)
Interest payable	1	2
Decrease in stocks	4	8
Decrease (increase) in debtors	(82)	52
(Decrease) increase in creditors	187	(6)
	<u>(492)</u>	<u>(572)</u>

**24 MANAGEMENT OF LIQUID RESOURCES**

	£000	£000
Net sale/(purchase) of investments	(700)	(140)
	<u>(700)</u>	<u>(140)</u>

**25 FINANCING**

	£000	£000
Repayments of amounts borrowed	(20)	(20)
	<u>(20)</u>	<u>(20)</u>

**26 ANALYSIS OF CHANGES IN NET FUNDS**

	<b>2010</b>	<b>Changes</b>	2009
	£000	£000	£000
Cash at bank and in hand	420	(464)	884
Endowment assets cash	1,318	(1,994)	3,312
Bank overdrafts	0	70	(70)
	<u>1,738</u>	<u>(2,388)</u>	<u>4,126</u>
Current asset investments	840	700	140
Debt due within 1 year	498	82	416
Debt due after 1 year	2	(1)	3
	<u>3,078</u>	<u>(1,607)</u>	<u>4,685</u>

**ST EDMUND HALL**  
**Notes to the Financial Statements**  
**Year ended 31 July 2010**

**27 PENSION SCHEMES**

**1. The 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 Scheme 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. 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 income and expenditure account represents the contributions payable to the schemes in respect of the accounting period.

**2. Actuarial valuations**

The Schemes are periodically valued by qualified actuaries. Both USS and OSPS were valued using the "projected unit" method, embracing a market value approach. The financial assumptions were derived from market conditions prevailing at the valuation date. The assumptions which have the most significant effect on the results of the latest valuations and the determination of the contribution levels were those relating to the rate of return on investments (i.e. the valuation rate of interest), the rates of increase in salaries and pensions and the assumed rates of mortality, as shown in the following table:

	<b>USS</b>	<b>OSPS</b>
Date of valuation - see note a	31/03/2008	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) - see notes b and c	£707m	(£43m)
<b>Principal Assumptions</b>		
Rate of interest (past service liabilities)	4.4%	-
Rate of interest (future service liabilities)	6.1%	-
Rate of interest (periods up to retirement)	-	6.9%
Rate of interest (periods after retirement)	-	4.9%
Rate of increase in salaries	4.3%	4.8%
Rate of increase in pensions	3.3%	3.3%
<b>Mortality Assumptions</b>		
Assumed life expectancy at age 65 (males)	23 yrs	22 yrs
Assumed life expectancy at age 65 (females)	25 yrs	24 yrs
<b>Funding Ratios:</b>		
Technical Provisions basis - see note d	103%	87%
Statutory Pension Protection Fund basis	107%	95%
"Buy out" basis - see note d	79%	71%
Estimated FRS 17 basis see note d	104%	89%
Recommended Employer's contribution rate (as % of pensionable salaries) (see notes c & e)	16%	21.5%
Effective date of next valuation - see note a	31/03/2011	31/03/2010

**Notes**

- a. USS's actuary is undertaking an actuarial valuation of the scheme as at 31 March 2011, the results of which are not expected to be finalized 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's actuary recommended, and the Trustee agreed, that the ongoing funding surplus should be carried forward to the next valuation.

**ST EDMUND HALL**  
**Notes to the Financial Statements**  
**Year ended 31 July 2010**

- c. OSPS's 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 that 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 FRS 17 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 valuation was 16.0% of the 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.

**3. Sensitivity of actuarial assumptions**

Surpluses or deficits which arise at future valuations may impact on the College's future contribution commitment. The sensitivities regarding the principal assumptions used to measure the schemes 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 valuation, rated down by a further year)	increase by £1.6bn	increase by £10m

**4. Withdrawal of employer from scheme**

USS is a "last man standing" scheme so that 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 participant 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.

**5. Pension charge for the year:**

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

Scheme	Year to 31/07/2010 £000	Year to 31/07/2009 £000
Universities Superannuation Scheme	£182	£170
University of Oxford Staff Pension Scheme	£234	£221
Other Scheme Contributions	£7	£6
<b>Total</b>	<b>£423</b>	<b>£397</b>