



St Hilda's College, Oxford

**Report and Accounts
for the year ended 31 July 2010**

ST HILDA'S COLLEGE

SORP ACCOUNTS FOR YEAR ENDED

31 JULY 2010

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ST HILDA'S COLLEGE

Report of the Governing Body

The Governing Body of St Hilda's College presents the annual report and financial statements for the year ended 31 July 2010.

Status

St Hilda's College is an eleemosynary chartered charitable corporation aggregate. It was founded by Dorothea Beale in 1893 as a Hall for Women Students. In 1896 the Hall was incorporated under the Companies Acts of 1862-90 and in 1910 it was admitted by a degree of Convocation as a recognised society under the Delegacy for Women Students, and in June 1920 was admitted by Decree to the privileges of *Statt. Tit. XXIII* of Women Students. In 1926 the College was incorporated by Royal Charter under the "Principal and Council of St Hilda's College, Oxford". In 1955 a supplemental charter was granted by which the Principal and Fellows became the Governing Body. In 1960 St Hilda's ceased to be a Society of Women Students and became a College of the University. The College's amended statutes received royal approval in February 2008, permitting the admission of male students with effect from October 2008.

The corporation comprises the Principal and Fellows. In the year under review the College was an exempt charity under s3(5a) Charities Act 1993 (as listed in Schedule 2(b) to that Act). On 17 August 2010 the College's charitable status changed when it became registered with the Charity Commission under the Charities Act 2006, with registration number 1137537.

Objects

The College exists to provide and promote undergraduate and graduate education within the University of Oxford, and also to provide and promote university academic research. 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 Principal and Fellows. This body is constituted and regulated in accordance with the College Statutes, the terms of which are enforceable ultimately by the Visitor, Dame Elizabeth Butler-Sloss. The College Statutes are as made from time to time by order of Her Majesty in Council in accordance with the Royal Charter of 1926, and the Universities of Oxford and Cambridge Act 1923 and registered under the charities commission No 1137537. The Governing Body holds to itself the responsibilities for the ongoing strategic direction of the College, for its educational policies, administration and for the management of its finances and assets. It meets regularly under the chairmanship of the Principal and is advised by a range of committees which include the Academic Planning Committee, Finance and Resources Management Committee and the Investment Committee.

Scope of financial statements

The financial statements comprise the accounts of St Hilda's College and its subsidiary companies.

ST HILDA'S COLLEGE
Report of the Governing Body (continued)

Review of operations and finance

The major sources of income for the College are tuition fees, accommodation and catering charges, investment income, conferences and donations, together with income from miscellaneous sources. The combined operations of the College and its subsidiaries posted a surplus of £57,000 for the year ended 31 July 2010. This compares to the 2009 deficit of £3,000. This position has largely been achieved through increases in conference income, donations and a small increase in fees as a result of higher graduate student numbers. Income rose 1.6% while costs increased by 0.6%. College has followed a policy of cost curtailment wherever possible to bring income and expenditure into better balance.

Fee income rose 2.5 % from a favourable settlement rate under the Collegiate Funding Formula, as graduate student numbers increased. Residential income from students and other members rose by 2.1%, as part of the economic rent pricing review and a high occupancy rate for student rooms during most of the year. The target increase in student catering revenues was achieved for the fourth consecutive year. Conference income increased 4.9% as a result of higher numbers of functions and events and filling the accommodation to capacity in June and July.

Total staff costs rose 1%; partly as a result of a 0.5% national pay agreement for academic and academic related staff which was lower than budgeted. Some additional costs associated with the restructuring of operations within the college were also kept to a minimum.

A planned maintenance programme is now in place, and all the maintenance contracts have been reviewed and reorganised. Priorities for the refurbishment and repair of the buildings on the main college site have been established and projects completed this year are a part of a continuing rolling three year programme.

Longer term developments, particularly of graduate accommodation are being reviewed and funding strategies evaluated under the guidance of the Bursar and the Development Director.

The College continues to seek opportunities to increase revenue, and programmes to reduce the structural cost base and to keep the college income and expenditure as near as possible to a break-even position, while longer-term strategies are being evaluated. A second successful application to the College Contributions Fund was made this year for revenue support for teaching costs over four years. This followed our first application in the category of scholarships and bursaries. The college has to raise matching funds and this underpins the development strategy.

ST HILDA'S COLLEGE
Report of the Governing Body (continued)

Investment performance

Overall, the portfolio value increased by 13.4% on like for like funds invested over the period, as a result of strategic purchasing of stocks and a stronger than expected rallying of the financial markets in 2009/10.

In the course of 2010, the total endowment grew by £198,000, from major legacies and donations, which will be invested in the portfolio in accordance with College policy to invest all major donations over £5,000 which are not given for a specific purpose and to be disbursed over a three to five year timescale.

In order to reduce fluctuations in income from investments, the college operates a total return policy, taking a 3.5% appropriation of a five year average valuation of the opening general endowment portfolio in each of the years.

Reserves

The balance on general reserves at the year end stood at £4,614,000. The College had a negative free general reserve balance of £1,141,000 after allowing for amounts invested in fixed assets and designated reserves; this reflects partly the difference in investment return practice from earlier years, but also the accumulation of a structural cost deficit in prior years. The Governing Body has identified that the most significant financial priority is to continue to build the level of endowment investment. This is in order to support the long-term costs of tuition, and to finance upgrades in buildings and facilities, while operating improvements are focused on building a more sustainable base of other income to exploit opportunities from refurbished catering and building facilities.

The time period for reaching balance sheet equilibrium is uncertain, but current strategic plan developments indicate a three to five year cycle of fund-raising and additional revenue generating activities to grow income in line with the activities of the College.

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. Significant investment has already been made in Health and Safety compliance and reviews will continue through 2011

Approved by the Governing Body on 1st December 2010

Sheila Forbes - Principal

ST HILDA'S COLLEGE

Responsibilities of the Governing Body

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

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

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.

St Hilda's College

Independent auditors' report to the Governing Body of St Hilda's College

We have audited the financial statements of St Hilda's College for the year ended 31 July 2010 which comprise the principal accounting policies, the consolidated income and expenditure account, the consolidated statement of total recognised gains and losses, the balance sheets, the consolidated 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 there under, 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 there under. 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.

St Hilda's College

Independent auditors' report to the Governing Body of St Hilda's College

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, and of the College consolidated with its subsidiaries as at 31 July 2010 and of its consolidated 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 there under, 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
Registered Auditors
Chartered Accountants
Oxford

Date 1st December 2010

ST HILDA'S COLLEGE
Statement of Principal Accounting Policies

Year ended 31 July 2010.

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

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the College and its subsidiary St Hilda's College (Trading) Ltd. A separate income and expenditure account dealing with the results of the College has not been presented. The results of any other undertakings in which the College has a participating interest have been excluded from the consolidation on the grounds that they are not material to a true and fair view.

Investment in Subsidiary Companies

Investments in subsidiary companies are included in the balance sheet of the College at the lower of cost and the expected recoverable amount.

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 receivable from investment funds representing general endowments (the use of which is not legally restricted to a specific purpose or activity) is credited to income and expenditure account according to a sustainable spending rule that currently permits the transfer of income of 3.5% of the opening valuation of the endowment funds.

General donations

Unrestricted donations and benefactions are credited to the 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 in the period in which they are incurred.

ST HILDA'S COLLEGE
Statement of Principal Accounting Policies (continued)
Year ended 31 July 2010

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
Off site properties	25 years or period of lease if shorter
Building improvements	10-25 years
Equipment & Furniture	4-10 years
IT Equipment	3 years
Assets acquired under Finance leases	over the period of the Lease

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

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

The College operates a "de minimis" limit of £5,000 for the capitalisation of expenditure on equipment; aggregations of items are treated as a whole for this purpose. 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 stated at market value. Current asset investments are included at the lower of cost and net realisable value. Surpluses or deficits arising on the revaluation or realisation of endowment asset investments are added to or subtracted from the funds concerned.

Stocks

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

Maintenance of premises

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

Provisions

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

Leases

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

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

ST HILDA'S COLLEGE
Statement of Principal Accounting Policies (continued)
Year ended 31 July 2010

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 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.

ST HILDA'S COLLEGE
Consolidated Income and Expenditure Account
Year ended 31 July 2010

	Notes	2010 £'000	2009 £'000
INCOME			
Academic fees and tuition income	1	2,290	2,235
Research grants and contracts	2	44	48
Other operating income	3	2,658	2,597
Endowment return and interest receivable	4	1,078	1,097
Total income		6,070	5,977
EXPENDITURE			
Staff costs	5	3,746	3,706
Depreciation		392	367
Other operating expenses		1,865	1,890
Interest payable		2	12
Contribution under Statute XV		8	5
Total expenditure	7	6,013	5,980
Surplus for the year on continuing operations before taxation and surplus on disposal of fixed assets		57	(3)
Taxation	8	0	0
Surplus for the year after taxation	9	57	(3)

Consolidated statement of total recognised gains and losses
Year ended 31 July 2010

	Notes	2010 £'000	2009 £'000
Surplus/(deficit) for the year		57	(3)
Income receivable from endowment asset investments	17	1,128	1,025
Endowment return transferred to income and expenditure account	17	(1,027)	(1,047)
New endowments received	17	198	754
Appreciation of endowment asset investments	17	3,678	(4,279)
Deferred capital released to income and expenditure account	16	(83)	(86)
Total recognised gains/(losses) relating to the year		3,951	(3,636)
Opening fund balances		36,703	40,339
Closing fund balances		40,654	36,703

ST HILDA'S COLLEGE

Balance Sheets

As at 31 July 2010

	Notes	CONSOLIDATED		COLLEGE	
		2010 £'000	2009 £'000	2010 £'000	2009 £'000
Fixed assets					
Tangible assets	10	7,651	7,968	7,651	7,968
Investments	11	0	0	1	0
		<u>7,651</u>	<u>7,968</u>	<u>7,652</u>	<u>7,968</u>
Endowment asset investments					
Securities and cash deposits		32,151	28,347	32,151	28,347
Land and property		0	0	0	0
	12	<u>32,151</u>	<u>28,347</u>	<u>32,151</u>	<u>28,347</u>
Current assets:					
Stocks		30	38	30	38
Debtors	13	732	482	761	482
Short term investments		1,272	816	1,272	816
Cash at bank and in hand		271	374	235	374
		<u>2,305</u>	<u>1,710</u>	<u>2,298</u>	<u>1,710</u>
Creditors:					
Amounts falling due within one year	14	(1,361)	(1,130)	(1,355)	(1,130)
		<u>944</u>	<u>580</u>	<u>943</u>	<u>580</u>
Net current assets					
		<u>944</u>	<u>580</u>	<u>943</u>	<u>580</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		40,746	36,895	40,746	36,895
Creditors:					
Amounts falling due after more than one year	15	(92)	(192)	(92)	(192)
		<u>40,654</u>	<u>36,703</u>	<u>40,654</u>	<u>36,703</u>
NET ASSETS					
		<u>40,654</u>	<u>36,703</u>	<u>40,654</u>	<u>36,703</u>
Deferred capital					
	16	3,786	3,869	3,786	3,869
Endowments					
Specific		8,597	7,431	8,597	7,431
General		23,554	20,916	23,554	20,916
	17	<u>32,151</u>	<u>28,347</u>	<u>32,151</u>	<u>28,347</u>
Reserves					
Designated reserves		103	119	103	119
General reserves		4,614	4,368	4,614	4,368
	18	<u>4,717</u>	<u>4,487</u>	<u>4,717</u>	<u>4,487</u>
TOTAL FUNDS					
		<u>40,654</u>	<u>36,703</u>	<u>40,654</u>	<u>36,703</u>

The financial statements were approved by the Governing Body of St Hilda's College on 1st December 2010

Sheila Forbes
Principal

Richard Berry
Bursar

ST HILDA'S COLLEGE
Consolidated Cashflow Statement
Year ended 31 July 2010

	Note	2010 £'000	2009 £'000
Net cash outflow from operating activities	24	<u>(777)</u>	<u>(279)</u>
Returns on investments and servicing of finance			
Income from endowments received		1,128	1,025
Other income from investments and interest received		<u>51</u>	<u>50</u>
		1,179	1,075
Interest paid		(2)	(12)
Net cash inflow from returns on investments and servicing of finance		<u>1,177</u>	<u>1,063</u>
Capital expenditure and financial investment			
Net acquisition of tangible fixed assets		(75)	(84)
Net (acquisition)/disposal of endowment asset investments		(1,069)	(172)
Endowments received		198	754
Net cash inflow/ (outflow) from capital expenditure and financial investment		<u>(946)</u>	<u>498</u>
Net cash inflow/(outflow) before use of liquid resources and financing		(546)	1,282
Management of liquid resources	25	(456)	(41)
Financing	26	(80)	(110)
Increase/(decrease) in cash	27	<u>(1,082)</u>	<u>1,131</u>
Reconciliation of net cash flow to movement in net funds			
Increase/(decrease) in cash for the year		(1,082)	1,131
Increase/(decrease) in liquid resources and current asset investments		456	41
(Increase)/decrease in debt		<u>80</u>	<u>110</u>
Change in net funds	27	(546)	1,282
Net funds at 1 August		2,712	1,430
Net funds at 31 July		<u>2,166</u>	<u>2,712</u>

ST HILDA'S COLLEGE
Notes to the Financial Statements
Year ended 31 July 2010

	2010 £'000	2009 £'000
1 ACADEMIC FEES AND TUITION INCOME		
Tuition fees from UK and European Union students	1,262	1,245
Tuition fees from overseas students	555	560
Other tuition income and HEFCE support	473	430
	<u>2,290</u>	<u>2,235</u>

The above analysis includes expenditure in respect of UK and European Union students met by publicly funded fee income amounting to £1,676,903 (2009: £1,662,919)

	£'000	£'000
2 RESEARCH GRANTS AND CONTRACTS		
Research councils	44	48
Other grants and contracts	0	0
	<u>44</u>	<u>48</u>

	£'000	£'000
3 OTHER OPERATING INCOME		
Residential income from College members	1,532	1,500
Conference and function income	667	636
Grants and donations	221	164
Release of deferred capital contributions (note 16)	83	86
Other income	155	211
	<u>2,658</u>	<u>2,597</u>

	£'000	£'000
4 ENDOWMENT RETURN AND INTEREST RECEIVABLE		
Transferred from specific endowments (note 17)	247	221
Transferred from general endowments (note 17)	780	826
Other investment income	34	2
Other interest receivable	17	48
	<u>1,078</u>	<u>1,097</u>

	£'000	£'000
5 STAFF COSTS		
Gross pay	3,092	3,083
Social Security costs	202	209
Other pension costs	452	414
	<u>3,746</u>	<u>3,706</u>

The aggregate remuneration and numbers of the highest paid employees are as follows:

£80,001-90,000	<u>1</u>	<u>1</u>
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ST HILDA'S COLLEGE
Notes to the Financial Statements
Year ended 31 July 2010

6 PENSION SCHEMES

1. The pension schemes:

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

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

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

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

The College also has a small number of staff in other pension schemes, including the now closed Employees Pension Scheme ('EPS'). EPS was replaced by OSPS in 1978. In addition, the College is also contributing to the personal pension arrangements of certain staff who were ineligible to join USS or OSPS.

2. Actuarial valuations

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

	USS	OSPS
Date of valuation:	31/03/2008 ^a	31/07/2007
Date valuation results published:	04/02/2009	09/10/2008
Value of past service liabilities:	£28,135m	£325m
Value of assets:	£28,842m	£282m
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:		
Scheme valuation 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% ^e
Effective date of next valuation:	31/03/2011 ^a	31/07/2010

ST HILDA'S COLLEGE
Notes to the Financial Statements
Year ended 31 July 2010

- a. USS' actuary is undertaking 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 2002 valuation, 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 ongoing funding deficit could be carried forward to the next valuation, subject to review should equity markets stagnate or decline over a prolonged period.
- 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 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 was 80% and on a buyout basis was approximately 57%.
- e. The USS employer contribution rate required for future service benefits alone at the date of the valuation was 16% of total pensionable salaries and the Trustee company, on the advice of the actuary, decided to implement increase from 14% to 16% on 1 October 2009.

3. Sensitivity of actuarial valuation 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 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

4. Pension charge for the year:

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

Scheme	2010 £	2009 £
Universities Superannuation Scheme	263	233
University of Oxford Staff Pension Scheme	189	181
Supplementation payments ^f		
Total:	452	414

Notes

- f. The College continues to make a small and diminishing number of supplementation payments to retired members and dependants of former members of FSSU and EPS.

ST HILDA'S 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	1,933	0	413	2,346	2,259
Residences, catering and conferences	947	4	713	1,664	1,559
Premises	239	296	425	960	939
College administration	422	68	179	669	791
Fundraising	177	0	59	236	251
Other	28	24	76	128	164
	<u>3,746</u>	<u>392</u>	<u>1,865</u>	<u>6,003</u>	<u>5,963</u>
Interest payable				2	12
Contribution under Statute XV				8	5
Total expenditure				<u>6,013</u>	<u>5,980</u>
Other operating expenses include auditors' remuneration:					
in respect of the audit of these financial statements				15	10
in respect of other services				<u>0</u>	<u>3</u>

8 TAXATION

The College has no liability to Corporation Tax for the year under review

9 SURPLUS/(DEFICIT) FOR THE YEAR

	2010	2009
	£'000	£'000
College's surplus/(deficit) for the year	<u>57</u>	<u>(3)</u>

ST HILDA'S COLLEGE
Notes to the Financial Statements
Year ended 31 July 2010

10 TANGIBLE FIXED ASSETS

Cost	Freehold		Total £'000
	Land & buildings £'000	Equipment £'000	
At start of year	10,789	590	11,379
Additions	0	75	75
Disposals	0	0	0
At end of year	<u>10,789</u>	<u>665</u>	<u>11,454</u>
Depreciation			
At start of year	3,075	336	3,411
Disposals	0	0	0
Charge for year	320	72	392
At end of year	<u>3,395</u>	<u>408</u>	<u>3,803</u>
Net book value			
At end of year	<u>7,394</u>	<u>257</u>	<u>7,651</u>
At start of year	<u>7,714</u>	<u>254</u>	<u>7,968</u>

11 FIXED ASSET INVESTMENTS

	CONSOLIDATED		COLLEGE	
	£		£	
At start of year	0		0	
Net investments	0		1	
At end of year	<u>0</u>		<u>1</u>	
	CONSOLIDATED		COLLEGE	
	2010	2009	2010	2009
	£		£	
Investments stated at cost				
Subsidiary undertakings	0	0	1	0
Total at end of year	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>

Subsidiary companies

The interests of the College in its subsidiary companies are summarised below:-

Company	Country of incorporation	Principal activity	Interest in ordinary shares and voting rights
The Jacqueline du Pre Music Building Limited	England	Currently dormant	100%
St Hilda's Properties Limited	England	Currently dormant	100%
St Hilda's College (Trading) Limited	England	Non-education Conferences	100% *

* Started trading as of 1 August 2009

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Notes to the Financial Statements
Year ended 31 July 2010

12 ENDOWMENT ASSET INVESTMENTS

	CONSOLIDATED			COLLEGE		
	Securities & cash £'000	Land & property £'000	Total £'000	Securities & cash £'000	Land & property £'000	Total £'000
At market value						
At start of year	28,347	0	28,347	28,347	0	28,347
Purchases at cost	8,538	0	8,538	8,538	0	8,538
Sales proceeds	(7,469)	0	(7,469)	(7,469)	0	(7,469)
Decrease in cash held by fund manager	(943)	0	(943)	(943)	0	(943)
Revaluation gains	3,678	0	3,678	3,678	0	3,678
At end of year	32,151	0	32,151	32,151	0	32,151
Analysed as						
Fixed interest stocks (listed)	4,589			4,589		
Equities (listed)	26,703			26,703		
Cash	859			859		
	32,151			32,151		
Historical cost at end of year	34,497			34,497		

13 DEBTORS

	CONSOLIDATED		COLLEGE	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Amounts falling due within one year				
Trade debtors	170	163	85	163
Amounts owed by College members	58	41	58	41
Amounts owed by group undertakings	0	0	114	0
Loans	8	8	8	8
Prepayments and accrued income	496	270	496	270
	732	482	761	482

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	CONSOLIDATED		COLLEGE	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Unsecured loans	108	88	108	88
Trade creditors	370	249	370	249
College Contribution	8	5	8	5
Taxation and social security	20	68	20	68
Amounts owed to group undertakings	0	1	0	1
Accruals and deferred income	275	130	275	130
Other creditors	580	589	574	589
	1,361	1,130	1,355	1,130

15 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	CONSOLIDATED		COLLEGE	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Other creditors- University loans	6	6	6	6
- Bank loans	86	186	86	186
	92	192	92	192

ST HILDA'S COLLEGE
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16 DEFERRED CAPITAL

	CONSOLIDATED	COLLEGE
	£'000	£'000
At start of year	3,869	3,869
New capital	0	0
Released to income and expenditure account	(83)	(83)
At end of year	<u>3,786</u>	<u>3,786</u>

The balance on deferred capital represents donations received to finance the purchase 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.

17 ENDOWMENTS

	CONSOLIDATED AND COLLEGE		
	Specific	General	Total
	£'000	£'000	£'000
At start of year	7,431	20,916	28,347
Endowments received	4	194	198
Transfer of endowments from general to specific	325	(325)	0
Appreciation of endowment investments	798	2,880	3,678
Income receivable from endowment asset investments	286	842	1,128
Transferred to income and expenditure account (note 4)	(247)	(780)	(1,027)
Transfer to financing reserve	0	(173)	(173)
At end of year	<u>8,597</u>	<u>23,554</u>	<u>32,151</u>

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.

ST HILDA'S COLLEGE
Notes to the Financial Statements
Year ended 31 July 2010

18 RESERVES

DESIGNATED RESERVES

	CONSOLIDATED AND COLLEGE	
	2010	2009
	£'000	£'000
At start of year	119	128
Transfer from/to reserves	(16)	(9)
At end of year	103	119

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	2009
	£'000	£'000
Reserve for replacement and maintenance of functional buildings	90	90
Reserves for College lecture series	13	14
Other designated reserves	0	15
	<u>103</u>	<u>119</u>

GENERAL RESERVES

	CONSOLIDATED		COLLEGE	
	2010	2009	2010	2009
	£'000	£'000	£'000	£'000
At start of year	4,368	4,751	4,368	4,751
Surplus/(deficit) from income and expenditure account	57	(3)	57	(3)
Transfer (to)/from endowment	173	(389)	173	(389)
Transfers to/from designated reserves	16	9	16	9
At end of year	4,614	4,368	4,614	4,368

	2010	2009	2010	2009
	£'000	£'000	£'000	£'000
Representing:				
Undepreciated cost of tangible fixed assets financed out of general reserve	3,865	4,099	3,865	4,099
College capital financing of other operations	1,890	1,717	1,890	1,717
College general reserve	(1,141)	(1,448)	(1,141)	(1,448)
	<u>4,614</u>	<u>4,368</u>	<u>4,614</u>	<u>4,368</u>

19 CAPITAL COMMITMENTS

CONSOLIDATED AND COLLEGE

There were no outstanding capital commitments as at 31 July 2010 or 31 July 2009.

20 FINANCIAL COMMITMENTS

At 31 July the College had no annual commitments under non-cancellable operating leases.

ST HILDA'S COLLEGE
Notes to the Financial Statements
Year ended 31 July 2010

21 POST BALANCE SHEET EVENTS

There were no post balance sheet events to report.

22 CONTINGENT LIABILITIES

There were no contingent liabilities

23 RELATED PARTY TRANSACTIONS

There were no related party transactions to disclose.

**24 RECONCILIATION OF CONSOLIDATED OPERATING DEFICIT TO NET CASH
OUTFLOW FROM OPERATING ACTIVITIES**

	2010	2009
	£'000	£'000
Surplus/(Deficit) for the year	57	(3)
Depreciation	392	367
Released from deferred capital	(83)	(86)
Endowment income and interest receivable	(1,078)	(1,097)
Interest payable	2	12
Decrease/(increase) in stocks	8	2
Decrease/(increase) in debtors	(279)	234
(Decrease)/ increase in creditors	204	292
	<u>(777)</u>	<u>(279)</u>

25 MANAGEMENT OF LIQUID RESOURCES

	£'000	£'000
Net increase/(decrease) in deposits	<u>456</u>	<u>41</u>

26 FINANCING

	£'000	£'000
New bank loans received	0	0
Repayments of amounts borrowed	<u>(80)</u>	<u>(110)</u>
	<u>(80)</u>	<u>(110)</u>

27 ANALYSIS OF CHANGES IN NET FUNDS

	2010	Changes	2009
	£'000	£'000	£'000
Cash at bank and in hand	235	(139)	374
Endowment assets cash	<u>859</u>	<u>(943)</u>	<u>1,802</u>
	1,094	(1,082)	2,176
Short term deposits	1,272	456	816
Debt due within one year	(108)	(20)	(88)
Debt due after one year	(92)	100	(192)
	<u>2,166</u>	<u>(546)</u>	<u>2,712</u>