

Hertford College, Oxford



ANNUAL REPORT
AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31st JULY 2006

The accounts' index (if any), Responsibilities of the Governing Body, Statement of Principal Accounting Policies and Independent Auditors' Report have been omitted from this 150 dpi Akme scan.

HERTFORD COLLEGE

Report of the Governing Body

The Governing Body of Hertford College presents the annual report and financial statements for the year ended 31 July 2006

Status

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

Objects

The College exists to provide and promote undergraduate and graduate education within the University of Oxford, to provide and promote university academic research and to advance learning in the wider community.

Within these Objects, the College 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, who is the Chancellor of The University of Oxford. The College Statutes are as made from time to time by order of Her Majesty in Council in accordance with the Royal Charter of 1740, and the Universities of Oxford and Cambridge Act 1923. The Governing Body holds to itself the responsibilities for the ongoing strategic direction of the College, for its administration and for the management of its finances and assets. It meets regularly under the chairmanship of the Principal and is advised by a range of committees which include the Academic, Treasury and Domus Committees.

Scope of financial statements

The financial statements comprise the accounts of Hertford College. There are no active subsidiary companies or undertakings.

Review of operations and finance

The major sources of income for the College are: endowment income; fees and charges to members; accommodation and catering charges; conference income and donations. As in previous years the College is heavily dependent upon its external conference income and student programmes which were adversely effected by cancellations in the peak period of August and September, as delegates were unwilling to travel to the United Kingdom following the bombings which occurred in London during July 2005. As a result Conference and Function income fell by £128,155 (9%) to £1,331,285 and the surplus for the year from continuing operations reduced from £287,480 to £134,465

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During the year the College sold a house at a surplus of £109,025 and completed the purchase of another house to be used for student accommodation, at a gross cost, including initial refurbishment of £490,770.

The College was in receipt of legacies totalling £333,073 which have been added to endowment funds.

Investment performance

Over the year 2005-06 the College made an overall return of 18.3% on its non-cash investment holdings, a little better than the comparator FTSE 100 which showed a capital gain of 12.2% and also had a yield of 3.1%. The college was helped in this comparison by its holdings in Japan and the US. The College maintains a substantial cash holding, prepared for a downturn in stock market prices.

Reserves

General reserves at the year end amounted to £10,696,233. Since £12,254,740 has been spent on fixed assets this leaves the College with negative free reserves of £1,558,507. Last year negative free reserves were £2,026,193 so initial progress has been made towards building up the free reserves to a level which will allow the College to be managed efficiently and to provide a buffer for uninterrupted services.

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. The primary supervision of financial risk rests with the Treasury Committee.

Approved by the Governing Body on 8th November 2006

Dr John Landers - Principal

HERTFORD COLLEGE
Income and Expenditure Account
Year ended 31 July 2006

	Notes	2006 £	2005 £
INCOME			
Academic fees and tuition income	1	2,079,941	1,998,291
Research grants and contracts	2	33,188	38,282
Other operating income	3	3,062,064	3,071,644
Endowment return and interest receivable	4	1,254,674	1,201,107
Total income		<u>6,429,867</u>	<u>6,309,324</u>
EXPENDITURE			
Staff costs	5	3,146,187	2,792,528
Depreciation		534,602	521,235
Other operating expenses		2,570,344	2,665,160
Contribution under Statute XV		44,269	42,921
Total expenditure	7	<u>6,295,402</u>	<u>6,021,844</u>
Surplus for the year on continuing operations before taxation and disposal of fixed assets		134,465	287,480
Surplus (deficit) on disposal of fixed assets		109,025	0
Taxation		0	0
Surplus for the year after taxation	8	<u>243,490</u>	<u>287,480</u>

Statement of total recognised gains and losses
Year ended 31 July 2006

	Notes	2006 £	2005 £
Surplus for the year		243,490	287,480
Appreciation (depreciation) of endowment asset investments	14	3,596,997	3,055,175
Specific endowment income retained for the year	14	123,706	94,096
New endowments received	14	333,073	1,311,587
Total recognised gains relating to the year		<u>4,297,266</u>	<u>4,748,338</u>
Opening reserves and endowments		47,439,049	42,690,711
Closing reserves and endowments		<u>51,736,315</u>	<u>47,439,049</u>