



Report and Financial Statements

for the year ended

31 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.**

## Keble College

### Report of the Governing Body

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

#### Status

Keble College was founded by public subscription and incorporated by Royal Charter dated 6 June 1870. 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

The College was founded in 1870 in memory of the Reverend John Keble with the object of providing a University education for young men in a College conducted in accordance with the principles of the Church of England. It has admitted women since 1979 and its objectives have evolved so that it now exists to provide and promote undergraduate and graduate education within the University of Oxford and also to provide and promote academic research. Within these objectives 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 and religious purposes.

#### Governance

The Governing Body of the College is constituted and regulated in accordance with the College Statutes and comprises the Warden, the Official Fellows, the Professorial Fellows and such other Fellows as are appointed in accordance with the provisions of the Statutes. The Statutes are as made from time to time by order of Her Majesty in Council in accordance with the College's Royal Charter and the Universities of Oxford and Cambridge Act 1923 and are enforceable ultimately by the Visitor (the Archbishop of Canterbury).

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 including the Finance Committee, whose role is to oversee the care of the property, income and expenditure of the College, the conduct of its domestic economy and the proper keeping of its accounts.

#### Scope of financial statements

The financial statements consolidate the accounts of Keble College and its subsidiary undertaking, Conference Keble Limited. Conference Keble Limited is the wholly-owned vehicle for the conference activities of Keble College.

#### Review of operations and finance

##### *Academic activities*

With 435 undergraduates and 222 graduate students, Keble is one of the largest colleges in the University of Oxford. The composition of the student body is as follows:

	Undergraduates			Graduates		
Gender balance	58.5% male		41.5% female	64% male		36% female
Status	91% home	2.5% EU	6.5% internatl.	44% home	11% EU	45% internatl.
School background	54% State	42% private	4% other	not available		
Type of course	100% taught			40% taught	60% research	
Subject mix	28% arts	29% soc. sci.	43% sciences	18% arts	26% soc. sci.	56% sciences

All major subjects are represented and the College continues to enjoy a high level of applications for places

In 2005-06 the Fellowship comprised the Warden, Bursar, Senior Tutor, Chaplain, 33 tutorial fellows, 7 professorial fellows and 10 research fellows. New appointments for the next academic year include two research fellows and two professorial fellows in European Archaeology and Ancient Philosophy. Of the 128 undergraduates who sat Final Honours School examinations in 2006, 24 obtained 1<sup>st</sup> Class Honours degrees. Six University prizes were awarded to Keble students in 2005-06 and 78 students were elected to College Scholarships. A total of 64 graduates completed taught courses in 2005-06. Of these, 6 were awarded a Distinction. During the year 28 D.Phil. students were given leave to supplicate.

## Keble College

### Report of the Governing Body

#### *Finance*

The College recorded a surplus for the year of £47k. The underlying operating deficit arising from the College's core activities – the difference between what we earn from teaching, research, board and lodging and what we spend on salaries, supplies and the upkeep of our buildings - was £925k. Viewed against core activity expenditure of £5.5mn this is a measure of the subsidy the College and its benefactors are providing in pursuit of its Objects. Funding for the deficit comes from endowment return and conference surpluses. Compared with 2004-05 the endowment return increased by 11% to £573k, whilst conference income increased 19% to £1.8mn and trading margins improved slightly.

Donations to the College during the year totalled £447k. Of this £397k was given for the endowment and the balance for capital projects and the support of junior members' activities. The steady rise in donations to the endowment reflects the vital and deeply appreciated support Keble receives from its Old Members and friends, and marks a growing awareness of the value of annual giving through the Talbot Fund.

#### *Capital projects*

The College invested £695k in capital projects during the year. £455k was spent on completing the renovation of 23 Banbury Road (Felstead House). This now provides residential accommodation for the Chaplain, three Fellows and two partnered graduate students on the upper floors. On the ground floor there is a suite of meeting and function rooms available year-round for College events and non-residential conferences.

Other projects completed during the year included improvements to lighting in the Library (£25k), the fit-out and equipping of a gym in the base of the Clocktower Building (£33k) and the development of a rowing compound at Port Meadow (£16k).

In January 2006 the College launched a competition to select an architect for the redevelopment of the Acland site. Twenty-one firms of international repute were invited to submit expressions of interest. Eighteen did so of which five were short-listed by the jury panel. After a prolonged and intensive review of the proposals from the short-listed firms the panel, in June, unanimously chose Rick Mather Architects for the project. Design work is proceeding with the aim of submitting detailed proposals for planning consent in the first half of 2007. The redevelopment project will involve the removal of all the current buildings on the site (apart from 23 Banbury Road) and the construction of a new quad providing accommodation for 250 undergraduate and graduate students as well as research facilities for post-doctoral and visiting Fellows. It is expected to cost of the order of £25mn and is therefore heavily contingent on a successful fundraising campaign.

#### **Investment performance**

The value of the endowment at the start of the year was £20.7mn. Endowment assets are managed for total return and the Governing Body considers it prudent, in the current financial and business climate, to transfer a maximum of 3% of asset value annually to the College to fund appropriate expenditure. The endowment is invested in gilts, UK equities (through a tracker fund), OEICs (Open Ended Investment Companies) and alternative investments including hedge funds and a small exposure to venture capital assets through its participation in the Isis Fund (which invests in Oxford University spin-out companies).

In December 2004 the College transferred to the Endowment eleven residential properties with a combined value of £5.9mn. As reported last year, three of the properties were sold in 2004-05 for a net profit to the Endowment of £221k. The remaining eight were sold in 2005-06 for a net loss to the Endowment of £266k. In aggregate the liquidation of the property portfolio realised a net loss to the Endowment of £45k, 0.8% of the original transfer value.

The percentage composition of the investment portfolio was as follows:

	31-07-06	31-07-05
Gilts	5	6
UK equities	45	43
OEICs	11	9
Hedge funds and venture capital	20	20
Property	0	24
Cash	19	(2)

## Keble College

### Report of the Governing Body

The portfolio generated income of £196k and capital gains (both realised and unrealised) of £1,957k, a total return of 10.4%. At year-end, after the £573k transfer to College income and expenditure and the addition of endowment gifts, the endowment stood at £22.7mn.

#### **Reserves**

At year-end the College's reserves amounted to £21.5mn of which £20.6mn was attributable to tangible fixed assets and £838k to the general reserve. The acquisition of the Acland site in December 2004 substantially reduced the general reserve and the College intends to rebuild it to a level at least equivalent to three months' expenditure on core activities (£1.4mn at current expenditure levels).

#### **Risk management**

The major risks to which the College is exposed, as identified by the Governing Body, and the systems established to mitigate these risks, have been reviewed and modified as appropriate during the year.

Approved by the Governing Body on 11 October 2006

Dame Averil Cameron  
Warden

Keble College  
Consolidated Income and Expenditure Account  
Year ended 31 July 2006

	Note	2006 £	2005 £
<b>INCOME</b>			
Academic fees and tuition income	1	2,298,778	2,141,346
Other operating income	2	3,958,802	3,777,803
Endowment return and interest receivable	3	590,482	551,892
<b>Total income</b>		<b>6,848,062</b>	<b>6,471,041</b>
<b>EXPENDITURE</b>			
Staff costs	4	3,541,986	3,550,927
Depreciation	6	856,428	597,433
Other operating expenses	6	2,391,989	2,481,133
Interest payable	6	3,168	4,893
Contribution under Statute XV	6	7,288	-
<b>Total expenditure</b>		<b>6,800,859</b>	<b>6,534,386</b>
Surplus / (deficit) for the year on continuing operations before taxation and disposal of fixed assets		47,203	(163,345)
Surplus on disposal of fixed assets		-	4,168,313
<b>Surplus for the year after taxation</b>	8	<b>47,203</b>	<b>4,004,968</b>

Consolidated statement of total recognised gains and losses  
Year ended 31 July 2006

	Note	2006 £	2005 £
<b>Reserves</b>			
Surplus for the year		47,203	4,004,968
<b>Endowments</b>			
Income receivable from endowment asset investments	15	195,569	189,267
Endowment return transferred to income and expenditure account	15	(572,979)	(515,941)
Appreciation/(depreciation) of endowment asset investments	15	1,956,688	2,756,273
New endowments received	15	396,625	378,380
<b>Other</b>			
Net movement to deferred capital	14	(124,610)	(112,379)
<b>Total recognised gains relating to the year</b>		<b>1,898,496</b>	<b>6,700,568</b>
Opening reserves and endowments		45,349,562	38,648,994
<b>Closing reserves and endowments</b>		<b>47,248,058</b>	<b>45,349,562</b>

Keble College  
Balance Sheets  
As at 31 July 2006

	Note	CONSOLIDATED		COLLEGE	
		2006 £	2005 £	2006 £	2005 £
<b>Fixed assets</b>					
Tangible assets	9	23,742,335	23,904,170	23,742,335	23,904,170
Investments	10	-	-	3	3
		<u>23,742,335</u>	<u>23,904,170</u>	<u>23,742,338</u>	<u>23,904,173</u>
<b>Endowment asset investments</b>					
Securities and cash deposits	11	22,667,605	20,691,704	22,667,605	20,691,704
		<u>22,667,605</u>	<u>20,691,704</u>	<u>22,667,605</u>	<u>20,691,704</u>
<b>Current assets:</b>					
Stocks		65,564	64,803	65,564	64,803
Debtors	12	1,158,479	948,571	987,607	865,162
Short term investments and cash deposits		676	6,856	676	6,856
Cash at bank and in hand		980,435	1,638,016	515,680	1,077,827
		<u>2,205,154</u>	<u>2,658,246</u>	<u>1,569,527</u>	<u>2,014,648</u>
<b>Creditors:</b>					
Amounts falling due within one year	13	(1,367,035)	(1,904,558)	(798,763)	(1,326,363)
		<u>838,119</u>	<u>753,688</u>	<u>770,764</u>	<u>688,285</u>
<b>Net current assets</b>					
		<u>47,248,059</u>	<u>45,349,562</u>	<u>47,180,707</u>	<u>45,284,162</u>
<b>Deferred capital</b>	14	3,123,965	3,248,575	3,123,965	3,248,575
<b>Endowments</b>					
Specific	15	11,064,277	10,267,142	11,064,277	10,267,142
General	15	11,603,328	10,424,560	11,603,328	10,424,560
		<u>22,667,605</u>	<u>20,691,702</u>	<u>22,667,605</u>	<u>20,691,702</u>
<b>Reserves</b>					
General reserves	16	21,456,488	21,409,285	21,389,137	21,343,885
		<u>21,456,488</u>	<u>21,409,285</u>	<u>21,389,137</u>	<u>21,343,885</u>
<b>TOTAL FUNDS</b>		<u>47,248,058</u>	<u>45,349,562</u>	<u>47,180,707</u>	<u>45,284,162</u>

The financial statements were approved by the Governing Body of Keble College on 11 October 2006.

Averil M Cameron  
Warden

Roger J Boden  
Bursar

Keble College  
Consolidated Cashflow Statement  
Year ended 31 July 2006

	Note	2006 £	2005 £
Net cash inflow (outflow) from operating activities	22	<u>(347,801)</u>	<u>1,107,245</u>
Returns on investments and servicing of finance			
Income from endowments received		195,569	189,267
Other income from investments and interest received		<u>17,503</u>	<u>35,951</u>
Interest paid		<u>213,072</u>	<u>225,218</u>
		<u>(3,168)</u>	<u>(4,895)</u>
Net cash inflow from returns on investments and servicing of finance		<u>209,904</u>	<u>220,323</u>
Capital expenditure and financial investment			
Net realisation/(acquisition) of tangible fixed assets		(694,593)	(12,766,218)
Net realisation/(acquisition) of endowment asset investments		5,040,029	7,153,771
Endowments received		396,625	378,380
Deferred capital received		23,646	33,496
Net cash inflow/(outflow) from capital expenditure and financial investment		<u>4,765,707</u>	<u>(5,200,571)</u>
Net cash inflow/(outflow) before use of liquid resources and financing		4,627,810	(3,873,003)
Decrease in short term investments		6,180	3,956,633
Increase/(decrease) in cash		<u>4,633,990</u>	<u>83,630</u>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Increase/(decrease) in cash for the year		4,633,991	83,630
Increase/(decrease) in liquid resources and current asset investments		(6,180)	(3,956,633)
Decrease in debt			
Change in net funds		4,627,811	(3,873,003)
Net funds at 1 August 2005		864,963	4,737,966
Net funds at 31 July 2006 (short-term investments and cash)		<u>5,492,774</u>	<u>864,963</u>

Keble College  
Notes to the Financial Statements  
Year ended 31 July 2006

	2006	2005
<b>1 ACADEMIC FEES AND TUITION INCOME</b>	£	£
Tuition fees from UK and European Union students	1,841,743	1,777,974
Tuition fees from overseas students	269,702	237,146
Other fees	92,584	71,495
Other tuition income	94,749	54,731
	<u>2,298,778</u>	<u>2,141,346</u>

The above analysis includes fee income in respect of UK and European Union publicly funded students amounting to £1,687,899 (2005: £1,618,935).

<b>2 OTHER OPERATING INCOME</b>	£	£
Residential income from college members	1,836,204	1,919,927
Conference and function income	1,774,234	1,487,156
Grants and donations	62,268	10,335
Release of deferred capital contributions	148,256	145,875
Other income	137,840	214,510
	<u>3,958,802</u>	<u>3,777,803</u>

<b>3 ENDOWMENT RETURN AND INTEREST RECEIVABLE</b>	£	£
Transferred from specific endowments (note 15)	269,905	252,233
Transferred from general endowments (note 15)	303,074	263,708
Other investment income	-	1
Other interest receivable	17,503	35,950
	<u>590,482</u>	<u>551,892</u>

<b>4 STAFF COSTS</b>	£	£
Gross pay	3,016,215	3,102,105
Social Security costs	194,740	172,303
Other pension costs (note 5)	331,031	276,519
	<u>3,541,986</u>	<u>3,550,927</u>

It is standard 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 College.

**5 PENSION SCHEMES**

The College participates in two 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 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.

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 resulting levels of contribution take account of actuarial surpluses or deficiencies in each scheme. The financial assumptions were derived from market conditions prevailing at the valuation date.

## 5 PENSION SCHEMES (contd.)

The assumptions which have the most significant effect on the result 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) and the rates of increase in salaries and pensions, as follows:

USS: The latest actuarial valuation of the scheme was at 31 March 2005. It was assumed that salary increases would be 3.9% per annum (plus an additional allowance for increases in salary due to age and promotion in line with recent experience) and pensions would increase by 2.9% per annum. In relation to past service liabilities it was assumed that the valuation rate of return would be 4.5% per annum, and in relation to future service liabilities it was assumed that the valuation rate of interest would be 6.2% per annum, including an additional investment return assumption of 1.7% per annum.

OSPS: The latest actuarial valuation of the scheme was at 31 July 2004. It was assumed that salary increases would be 4.4% per annum and pensions would increase by 3.0% per annum. It was assumed that the valuation rate of interest would be 6.95% per annum in relation to the period up to retirement and 4.95% per annum in relation to the period after retirement.

Results of the latest actuarial valuations of the two schemes are:

	USS	OSPS
Value of past service liabilities	£28,308m	£218m
Value of assets	£21,740m	£167m
Funding Surplus/(Deficit)	(£6,568m)	(£51m)
Funding Ratios:		
Scheme valuation basis	77%	76%
Statutory minimum funding requirement basis	126%	110%
Statutory pension protection fund basis	110%	see note
Recommended Employer's contribution rate (as % of pensionable salaries)	14%	17.5%

Note: The latest OSPS valuation was carried out before the statutory pension protection fund basis was implemented.

### USS

The institution contribution rate required for future service benefits alone at the date of the valuation was 14.3% of total pensionable salaries but the Trustee company, on the advice of the actuary, decided to maintain the institution contribution rate at 14% of total pensionable salaries.

Surpluses or deficits which arise at future valuations may impact on the College's future contribution commitment. An additional factor which could impact the funding level of the scheme is that with effect from 16 March 2006, USS positioned itself as a "last man standing" scheme so that in the event of the insolvency 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.

The next formal triennial actuarial valuation is due as at 31 March 2008. There will also be an actuarial valuation carried out as at 31 March 2006 and annually thereafter on the "technical provisions" basis under the Pensions Act 2004, as required by the Occupational Pensions Schemes (Cross-Border Activities) Regulations 2005, reflecting the scheme's status as a cross-border scheme. The contribution rate will be reviewed as part of each valuation.

The contributions payable by the College during the accounting period were equal to 14% of total pensionable salaries, in accordance with the decision of the trustee company. The pension charge recorded by the College during the accounting period was equal to the contributions payable of £178,898 (2005: £156,725).

### OSPS

The actuarial valuation as at 31 July 2004 identified a required long-term employer contribution rate of 15.8% of total pensionable salaries, but also a funding deficit of £51.3m. The University, on behalf of all the employers participating in the scheme, has agreed with the trustees of OSPS to address this deficit by maintaining the employer contribution rate at the previously agreed rate of 17.5% until 31 July 2008, at which time it is expected to increase to 21.5%, subject to any revision resulting from the next triennial actuarial valuation of the scheme due as at 31 July 2007.

The contributions payable by the College during the accounting period were equal to 17.5% of total pensionable salaries (2005: 13.75%), in accordance with the agreement between the University and the trustees. The pension charge recorded by the College during the accounting period was equal to the contributions payable of £149,684 (2005: £119,794).

The total of all employer's pension costs (including supplementation of pensions for ex-employees or their dependents) was £331,031 (2005: £276,519).

6 ANALYSIS OF EXPENDITURE

	Staff costs	Depreciation	Other operating expenses	2006 Total	2005 Total
	£	£	£	£	£
Academic	1,602,738	-	338,729	1,941,467	1,923,966
Residences, catering and conferences	1,351,400	-	1,257,837	2,609,237	2,409,214
Premises and equipment (note 9)	205,130	856,428	480,591	1,542,149	1,355,841
College administration	190,970	-	252,698	443,668	715,530
Fundraising	144,695	-	45,589	190,284	142,910
Other	47,053	-	16,545	63,598	82,033
	<u>3,541,986</u>	<u>856,428</u>	<u>2,391,989</u>	<u>6,790,403</u>	<u>6,629,493</u>
Interest payable				3,168	4,893
Contribution under Statute XV				7,288	-
<b>Total expenditure</b>				<u>6,800,859</u>	<u>6,634,386</u>

The above analysis includes expenditure in respect of UK and European Union students met by by publicly funded fee income amounting to £1,687,899 (2005: £1,618,935).

	2006	2005
	£	£
Interest payable relates to bank loans, overdrafts and other loans:		
Repayable within 5 years	<u>3,168</u>	<u>4,893</u>
Other operating expenses include auditors' remuneration:		
in respect of the audit of these financial statements	14,670	13,300
in respect of other services	<u>8,780</u>	<u>8,780</u>
	<u>23,450</u>	<u>22,080</u>

7 TAXATION

As the College is a charity exempt from registration under the Charities Act 1993, all College income and capital gains are applied to charitable purposes only and all profits of subsidiary undertakings are paid to the College under Gift Aid, no liability arises to United Kingdom corporation tax.

8 SURPLUS FOR THE YEAR

	2006	2005
	£	£
College's surplus for the year	45,252	3,997,368
Surplus generated by the subsidiary undertakings	1,952	7,600
<b>Consolidated surplus for the year</b>	<u>47,204</u>	<u>4,004,968</u>

## 9 TANGIBLE FIXED ASSETS

	Consolidated			College		
	Freehold Land & Buildings £	Equipment £	Total £	Freehold Land & Buildings £	Equipment £	Total £
<b>Cost</b>						
At start of year	25,879,450	287,773	26,167,223	25,879,450	287,773	26,167,223
Additions	486,149	208,444	694,593	486,149	208,444	694,593
At end of year	<u>26,365,599</u>	<u>496,217</u>	<u>26,861,816</u>	<u>26,365,599</u>	<u>496,217</u>	<u>26,861,816</u>
<b>Depreciation</b>						
At start of year	2,202,774	60,279	2,263,053	2,202,774	60,279	2,263,053
Charge for period	798,876	57,552	856,428	798,876	57,552	856,428
At end of year	<u>3,001,650</u>	<u>117,831</u>	<u>3,119,481</u>	<u>3,001,650</u>	<u>117,831</u>	<u>3,119,481</u>
<b>Net book value</b>						
At end of year	<u>23,363,949</u>	<u>378,386</u>	<u>23,742,335</u>	<u>23,363,949</u>	<u>378,386</u>	<u>23,742,335</u>
At start of year	<u>23,676,676</u>	<u>227,494</u>	<u>23,904,170</u>	<u>23,676,676</u>	<u>227,494</u>	<u>23,904,170</u>

The net book value of tangible fixed assets does not include any amounts in respect of assets held under finance leases.

## 10 FIXED ASSET INVESTMENTS

The College owns 100% of the issued share capital of Conference Keble Limited, a company incorporated in England and Wales. The principal business activity of Conference Keble Limited is the provision of conference facilities in Keble College.

## 11 ENDOWMENT ASSET INVESTMENTS

CONSOLIDATED AND COLLEGE	Securities & Cash £
<b>At market value</b>	
At start of year	20,691,704
Purchases at cost	15,741
Sales proceeds	(5,055,772)
Increase (decrease) in cash	5,059,245
Revaluation gains	1,956,687
At end of year	<u>22,667,605</u>
<b>Analysed as</b>	
Fixed interest stocks (listed)	1,198,165
Equities (listed)	12,383,553
Unlisted securities	4,560,144
Cash	4,525,743
	<u>22,667,605</u>

12 DEBTORS

	CONSOLIDATED		COLLEGE	
	2006 £	2005 £	2006 £	2005 £
Amounts falling due within one year				
Trade debtors	690,970	619,614	141,462	116,335
Amounts owed by College members	77,977	62,642	77,977	62,642
Amounts owed by group undertakings	-	-	380,592	420,653
Prepayments and accrued income	146,496	34,386	144,540	33,603
Other debtors	21,383	9,018	21,383	9,018
Amounts falling due after more than one year				
Loans	221,653	222,911	221,653	222,911
	<u>1,158,479</u>	<u>948,571</u>	<u>987,607</u>	<u>865,162</u>

13 CREDITORS: AMOUNT FALLING DUE WITHIN ONE YEAR

	CONSOLIDATED		COLLEGE	
	2006 £	2005 £	2006 £	2005 £
Bank loans and overdrafts	14,080	246,407	14,080	246,407
Trade creditors	992,580	1,028,573	427,178	452,178
Other taxation and social security	110,271	134,774	110,271	134,774
Accruals and deferred income	113,307	334,845	110,437	333,045
Other creditors	136,797	159,959	136,797	159,959
	<u>1,367,035</u>	<u>1,904,558</u>	<u>798,763</u>	<u>1,326,363</u>

14 DEFERRED CAPITAL

	CONSOLIDATED		COLLEGE	
	2006 £	2005 £	2006 £	2005 £
At start of year	3,248,575	3,360,954	3,248,575	3,360,954
New capital	23,646	33,496	23,646	33,496
Released to income and expenditure account	(148,256)	(145,875)	(148,256)	(145,875)
	<u>3,123,965</u>	<u>3,248,575</u>	<u>3,123,965</u>	<u>3,248,575</u>
At the end of the year				

15 ENDOWMENTS

CONSOLIDATED AND COLLEGE	Specific	General	Total
	£	£	£
At start of year	10,266,326	10,425,377	20,691,703
Endowments received	-	396,625	396,625
Appreciation (depreciation) of endowment investments	970,823	985,864	1,956,687
Income receivable from endowment asset investments	97,033	98,536	195,569
Transferred to income and expenditure account (note 3)	(269,905)	(303,074)	(572,979)
<b>At end of year</b>	<b>11,064,277</b>	<b>11,603,328</b>	<b>22,667,605</b>

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 Specific Endowments (consolidated and College) include funds valued at £1,964,126 which provide income for purposes that lie outside the objects of the College. Income arising therefrom amounted to £35,268.

16 GENERAL RESERVES

	CONSOLIDATED	COLLEGE
	£	£
At start of year	21,409,285	21,343,885
Surplus from income and expenditure account	47,203	45,252
<b>At end of year</b>	<b>21,456,488</b>	<b>21,389,137</b>

	CONSOLIDATED		COLLEGE	
	2006	2005	2006	2005
Representing:	£	£	£	£
Undepreciated cost of tangible fixed assets less deferred capital financed out of general reserve	20,618,370	20,655,597	20,618,370	20,655,597
College general reserve	838,118	753,688	770,767	688,288
	<u>21,456,488</u>	<u>21,409,285</u>	<u>21,389,137</u>	<u>21,343,885</u>

#### 17 CAPITAL COMMITMENTS

At 31 July 2006 the College had contracts outstanding for refurbishment work to the sum of £130,000. At 31 July 2005 the College had contracts outstanding for refurbishment work to the sum of £300,000.

#### 18 FINANCIAL COMMITMENTS

The College had no annual commitments under non-cancellable operating leases at 31 July 2006 and 31 July 2005.

#### 19 POST BALANCE SHEET EVENTS

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

#### 20 CONTINGENT LIABILITIES

The College had no contingent liabilities at 31 July 2006 and 31 July 2005.

#### 21 RELATED PARTY TRANSACTIONS

The College has a loan scheme for house purchase which is available to members of Governing Body. At 31 July 2006 loans under the scheme totalling £219,000 (2005: £219,000) were outstanding to two members of Governing Body.

#### 22 RECONCILIATION OF CONSOLIDATED OPERATING SURPLUS TO NET CASH

##### INFLOW FROM OPERATING ACTIVITIES

	£
Surplus for the year	47,203
Depreciation	856,428
Release of deferred capital	(148,256)
Endowment income and interest receivable	(590,482)
Interest payable	3,168
Decrease (increase) in stocks	(761)
Decrease (increase) in debtors	(209,908)
(Decrease) increase in creditors	(305,193)
	<u>(347,801)</u>

#### 23 ANALYSIS OF CHANGES IN NET FUNDS

	2005 £	Changes £	2006 £
Cash at bank and in hand	1,638,016	(657,581)	980,435
Endowment assets cash	(533,502)	5,059,245	4,525,743
Bank overdrafts	(246,407)	232,327	(14,080)
	<u>858,107</u>	<u>4,633,991</u>	<u>5,492,098</u>
Current asset investments	6,856	(6,180)	676
	<u>864,963</u>	<u>4,627,811</u>	<u>5,492,774</u>