

LINCOLN COLLEGE

Financial 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.

LINCOLN COLLEGE

Report of the Governing Body

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

Status

Lincoln College is a chartered charitable corporation. The full corporate designation of the College is "The Warden or Rector and Scholars of the College of the Blessed Mary and All Saints, Lincoln, in the University of Oxford, commonly called Lincoln College". The College was founded by Richard Fleming, Bishop of Lincoln, under a Royal Charter of King Henry VI, dated 13th October 1427, and a Deed of Foundation dated 1429. The corporation comprises the Rector and Fellows. The College is an exempt charity under s3(5a) Charities Act 1993 (as listed in Schedule 2(b) to that Act); the College does not anticipate a change in its status once impending legislation for the charity sector is passed into law.

Objects

The College exists to provide and promote undergraduate and post graduate education within the University of Oxford, and to pursue advanced research and scholarship. 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 Rector and Fellows. This body is constituted and regulated in accordance with the College Statutes. The College Statutes are as made from time to time by order of Her Majesty in Council in accordance with the Royal Charter of 1427 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 Rector. The Chairman of the College's Campaign Committee, an alumnus of the College, regularly attends Governing Body meetings by invitation. The Governing Body is advised by a range of committees of which the two most important are convened by the College's principal executive officers: these are the Finance Committee (convened by the Bursar) and the Senior Tutor's Committee (convened by the Senior Tutor). The Finance Committee is comprised of Fellows of the College (both ex officio and by secondment for a defined period) together with invited alumni of the College who provide the benefit of their professional expertise. The mandate of this Committee covers the College's investments, estates, premises, financial management and accounting and financial oversight of the College's operations. The Senior Tutor's Committee is concerned with all aspects of the academic life of the College relating to Fellows and students. In addition the Rector and executive officers receive advice from the Rector's Council, an invited group of distinguished alumni of the College which meets once per annum for this purpose.

Scope of financial statements

The financial statements consolidate the accounts of Lincoln College, its subsidiary undertaking Lincoln College Enterprises Limited and The Lincoln College Michael Zilkha Fund (registered charity no 1095113).

Review of Operations and Finance

In 2005-06 the College's management of its operations resulted in a financial surplus of £867k (2004-05: £656k). This result is consistent with the College's Strategic Plan, implemented from November 2001, which among other things emphasised careful control of the College's financial operations as a contributor towards strengthening of the College's endowment. A sum of approximately £290,000 has been allocated to general reserves to give a general reserve in excess of £1 million.

Each of the College's principal sources of income increased during 2005-06. There was an increase in fees received for students' tuition. As in previous recent years this was in part a consequence of the College's ongoing policy of expanding its post-graduate student population, this being in line with the stated aims of Oxford University as a whole. The opening of the Lincoln EPA Science Centre at Museum Road, with its 48 new rooms for post-graduate students, was a feature of this process. With a larger number of students in residence, with more of those students being post-graduates continuing their work beyond the regular Terms, and with the implementation of a programme (agreed by the student body) to move towards more economic rents, the College made full and efficient use of its stock of residential accommodation, producing an increase in revenues from student accommodation charges. Revenues from conferences, summer schools and other functions showed a marked increase over the previous year, in part due to new contributions from conference business at Museum Road. Income from the endowment also showed an increase, primarily as a result of trends in rental income from the College's commercial properties in Oxford and other regions.

LINCOLN COLLEGE
Report of the Governing Body

On the expenditure side staff costs rose, consistent with national and local trends towards higher levels of remuneration. In addition there was a notable increase in the cost of pension provision for staff, with an increase in the contribution rate to OSPS (Oxford University Staff Pension Scheme). Financial support for students also showed an increase, in part a consequence of the targeting of such support at students in demonstrated need (as an alternative to the indiscriminate subsidy previously afforded to all students via below-market rents). A depreciation charge consistent with the College's policy for depreciating its tangible fixed assets is applied for the first time to the Lincoln EPA Science Centre and Lincoln Hall, the new and refurbished buildings at Museum Road.

The College's asset base showed an increase in value over the previous year, with the value of endowment assets rising from £40 million to £53 million. The 2006 revaluation of the College's commercial, agricultural and residential properties (a process undertaken every three years) produced a marked uplift in the value of the College's property assets: this reflected both changes in market values, particularly in the commercial sector, and the valuation newly applied to the College's interest in the Southfield site. Improvement in capital values in the world's stock markets during 2005-06 produced higher valuations for the College's financial asset portfolio, too. The investment return from the College's portfolio of financial instruments was +13%, broadly in line with the performance of the FTSE All-Share index. The College's fund-raising initiative, the Lincoln Fellowship Campaign, produced a net addition to the endowment funds of just over £1 million. (Significantly, the Fellowship Campaign *in toto* generated sums substantially in excess of this figure, with the bulk of funds raised serving to finance in full the construction work in the Museum Road properties). At end-July 2006 approximately 54% by value of the College's endowment assets were in property, with 46% in financial investments.

The period of the College's 2001-2006 Strategic Plan ended in July 2006 and the College has agreed a new Plan, building on the achievements of the first, to run from 2006-2011. The Strategic Plan is focused on directing the management of the College's resources and its fund-raising activities towards the efficient achievement of the College's primarily academic core activities.

Investment Management

The College's investments are under the direction of the Governing Body which acts on the recommendations of the Finance Committee. The Finance Committee is chaired by the Rector and benefits from the advice of two Committee members who are alumni of the College and who have special experience in investment and general financial matters. The College has continued to follow the investment plan formulated initially in October 2001. Investment strategy for financial assets is based on the maintenance of a core portfolio (UK and international equities, fixed income and cash) supplemented by selected additional investments in specialist areas (private equity, hedge funds and direct exposure to commodities). The core financial asset portfolio is managed by JP Morgan Fleming Asset Management and the specialist investments by a variety of other investment managers. During the last year exposure to private equity was increased as the College committed to the Oxford University Fund II LP managed and administered by Cambridge Associates. The College's portfolio of commercial, agricultural and (non-student) residential properties is overseen by Laws & Fiennes of Broughton, Banbury.

For the purposes of operational budgeting a yield of 3% is assumed to be drawn down on a sustainable basis from the College's endowment assets. The actual yield on the College's investment portfolio was in excess of 3% in 2005-06.

Reserves

The College's reserves amounted to £8.176 million at end-July 2006, with a general reserve of £1.062 million. The College considers this sum to be sufficient to provide a buffer for uninterrupted services and to support the programme of building repair and refurbishment.

Risk management

The major risks to which the College is exposed are reviewed regularly by the College Committees reporting to the Governing Body. Systems are in place, and are subject to ongoing improvement, to mitigate identified risks.

Approved by the Governing Body on

Professor P Langford Rector

LINCOLN COLLEGE
Consolidated Income and Expenditure Account
Year ended 31 July 2006

	Notes	2006 £	2005 £
INCOME			
Academic fees and tuition income	1	1,765,620	1,645,516
Other operating income	2	3,041,217	2,401,411
Endowment return and interest receivable	3	2,160,782	1,887,386
Total income		<u>6,967,619</u>	<u>5,934,313</u>
EXPENDITURE			
Staff costs	4	3,236,725	2,895,875
Depreciation		377,137	154,837
Other operating expenses		2,405,086	2,189,021
Contribution under Statute XV		81,436	38,350
Total expenditure	6	<u>6,100,384</u>	<u>5,278,083</u>
Surplus for the year	7	<u>867,235</u>	<u>656,230</u>

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

	Notes	2006 £	2005 £
Reserves			
Surplus for the year		867,235	656,230
Endowments			
Appreciation of endowment asset investments	14	9,171,023	3,642,753
Specific endowment income retained for the year	14	78,802	252,474
New endowments received	14	1,052,386	455,067
Other			
Net additions to deferred capital	13	2,449,862	2,608,726
Total recognised gains relating to the year		<u>13,619,308</u>	<u>7,615,250</u>
Opening reserves and endowments		55,856,291	48,241,041
Closing reserves and endowments		<u>69,475,599</u>	<u>55,856,291</u>

LINCOLN COLLEGE
Balance Sheets
As at 31 July 2006

	Notes	CONSOLIDATED		COLLEGE	
		2006 £	2005 £	2006 £	2005 £
Fixed assets					
Tangible assets	8	15,398,494	14,823,921	15,398,494	14,823,921
Investments	9	<u>0</u>	<u>0</u>	<u>1,000</u>	<u>1,000</u>
		<u>15,398,494</u>	<u>14,823,921</u>	<u>15,399,494</u>	<u>14,824,921</u>
Endowment asset investments					
Securities and cash deposits		24,145,838	18,624,143	23,087,650	17,576,800
Land and property		28,869,400	21,641,000	28,869,400	21,641,000
	10	<u>53,015,238</u>	<u>40,265,143</u>	<u>51,957,050</u>	<u>39,217,800</u>
Current assets:					
Stocks		143,107	130,843	143,107	130,843
Debtors	11	1,410,169	761,961	1,465,962	785,849
Cash at bank and in hand		<u>278,273</u>	<u>539,676</u>	<u>191,105</u>	<u>310,195</u>
		1,831,549	1,432,480	1,800,174	1,226,887
Creditors:					
Amounts falling due within one year	12	<u>(769,682)</u>	<u>(665,253)</u>	<u>(739,389)</u>	<u>(460,742)</u>
Net current assets		<u>1,061,867</u>	<u>767,227</u>	<u>1,060,785</u>	<u>766,145</u>
TOTAL NET ASSETS		<u>69,475,599</u>	<u>55,856,291</u>	<u>68,417,329</u>	<u>54,808,866</u>
Deferred capital	13	8,284,220	5,834,358	8,284,220	5,834,358
Endowments					
Specific		16,295,695	12,711,437	15,237,507	11,664,094
General		<u>36,719,543</u>	<u>27,553,706</u>	<u>36,719,543</u>	<u>27,553,706</u>
	14	53,015,238	40,265,143	51,957,050	39,217,800
Reserves					
General reserves	15	8,176,141	9,756,790	8,176,059	9,756,708
TOTAL FUNDS		<u>69,475,599</u>	<u>55,856,291</u>	<u>68,417,329</u>	<u>54,808,866</u>

The financial statements were approved by the Governing Body of Lincoln College on.....

P Langford
 Rector

T Knowles
 Bursar

LINCOLN COLLEGE
Consolidated Cashflow Statement
Year ended 31 July 2006

	Note	2006 £	2005 £
Net cash outflow from operating activities	19	<u>(1,641,519)</u>	<u>(1,580,674)</u>
Returns on investments and servicing of finance			
Income from endowments received	14	2,202,739	2,114,836
Other income from investments and interest received		36,845	25,024
Net cash inflow from returns on investments and servicing of finance		<u>2,239,584</u>	<u>2,139,860</u>
Capital expenditure and financial investment			
Net acquisition of tangible fixed assets		(951,710)	(4,539,224)
Net (acquisition)/realisation of endowment asset investments		(3,327,354)	1,153,368
Endowments received		1,052,386	455,067
Deferred capital received		2,618,928	2,808,726
Net cash (outflow) from capital expenditure and financial investment		<u>(607,750)</u>	<u>(322,063)</u>
Net cash(outflow)/inflow before use of liquid resources and financing		(9,685)	237,123
(Decrease)/increase in cash	20	<u>(9,685)</u>	<u>237,123</u>
Reconciliation of net cash flow to movement in net funds			
(Decrease)/increase in cash for the year		(9,685)	237,123
Change in net funds		(9,685)	237,123
Net funds at 1 August		844,617	607,494
Net funds at 31 July		<u>834,932</u>	<u>844,617</u>

LINCOLN COLLEGE
Notes to the Financial Statements
Year ended 31 July 2006

	2006	2005
	£	£
1 ACADEMIC FEES AND TUITION INCOME		
Tuition fees from UK and European Union students	1,295,021	1,220,540
Tuition fees from overseas students	291,464	255,529
Other fees	71,354	69,855
Other tuition income	107,781	99,592
	<u>1,765,620</u>	<u>1,645,516</u>

The above analysis includes fee income in respect of UK and European Union publicly funded students amounting to £1,103,441 (2005: £1,049,355)

	£	£
2 OTHER OPERATING INCOME		
Residential income from college members	1,663,059	1,372,695
Conference and function income	733,044	552,632
Grants and donations	402,773	354,587
Release of deferred capital contributions (note 13)	169,066	0
Other income	73,275	121,497
	<u>3,041,217</u>	<u>2,401,411</u>

	£	£
3 ENDOWMENT RETURN AND INTEREST RECEIVABLE		
Transferred from specific endowments (note 14)	374,708	334,231
Transferred from general endowments (note 14)	1,749,229	1,528,131
Other interest receivable	36,845	25,024
	<u>2,160,782</u>	<u>1,887,386</u>

	£	£
4 STAFF COSTS		
Gross pay	2,707,714	2,445,354
Social Security costs	188,017	172,134
Other pension costs	305,122	249,036
Other benefits	35,872	29,351
	<u>3,236,725</u>	<u>2,895,875</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 the College.

5 PENSION 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 defined benefit schemes (i.e. they provide benefits based on length of service and final pensionable salary) and are contracted out from the State Earnings Related Pension Scheme, and . 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 on a consistent and reasonable basis. The schemes are periodically valued by qualified actuaries. Both used the "projected unit" method, embracing a market value approach. The assumptions and other data that have the most effect on the determination of the contribution levels are as follows:

LINCOLN COLLEGE
Notes to the Financial Statements
Year ended 31 July 2006

5 PENSION SCHEMES (CONTINUED)

	USS	OSPS
Date of latest actuarial valuation	2005	2004
Investment returns per annum	6.20%	6.95%
Salary increases per annum	3.90%	4.40%
Pension increases per annum	2.90%	3.00%
Market value of assets at latest actuarial valuation	£21,740m	£167m
Proportion of accrued benefits covered by the actuarial value of these assets	77%	76%

The total of all employer's pension costs (including supplementation of pensions for ex-employees or their dependants) was £305,122 (2005 £249,036).

Universities Superannuation Scheme (USS):

The contributions payable by the college during the accounting period were equal to 14% of total pensionable salaries. The pensions charge recorded by the college during the accounting period was equal to the contributions payable of £124,292 (2005 £116,541).

Oxford Staff Pension Scheme (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%). The pensions charge recorded by the college during the accounting period was equal to the contributions payable of £174,844 (2005 £132,495).

FRS 17:

USS and OSPS are multi-employer schemes where the share of assets and liabilities applicable to each employer is not identified. The college will therefore account for its pension costs for each scheme on a defined contribution basis as permitted by FRS 17.

6 ANALYSIS OF EXPENDITURE

	Staff costs	Depreciation	Other operating expenses	2006 Total	2005 Total
	£	£	£	£	£
Academic	1,221,385	2,386	713,408	1,937,179	1,804,996
Residences, catering and conferences	1,221,666	30,519	718,466	1,970,651	1,683,069
Premises	309,311	325,006	575,787	1,210,104	1,060,521
College administration	289,244	9,833	190,545	489,622	369,380
Endowment management	12,223	0	117,382	129,605	61,772
Fundraising	126,438	0	35,659	162,097	177,598
Other	56,458	9,393	53,839	119,690	82,397
	<u>3,236,725</u>	<u>377,137</u>	<u>2,405,086</u>	<u>6,018,948</u>	<u>5,239,733</u>
Contribution under Statute XV				81,436	38,350
Total expenditure				<u>6,100,384</u>	<u>5,278,083</u>
Other operating expenses include auditors' remuneration: in respect of the audit of these financial statements				<u>14,000</u>	<u>13,500</u>

The above analysis includes expenditure in respect of UK and European Union students met by publicly funded fee income amounting to £1,103,441 (2005: £1,049,355)

LINCOLN COLLEGE
Notes to the Financial Statements
Year ended 31 July 2006

7 SURPLUS FOR THE YEAR

	2006	2005
	£	£
College's surplus for the year	867,235	628,920
Retained surplus within subsidiary undertaking	0	27,310
	<u>867,235</u>	<u>656,230</u>

8 TANGIBLE FIXED ASSETS

CONSOLIDATED

	Land & buildings		
	Freehold	Equipment	Total
	£	£	£
Cost			
At start of year	15,525,760	559,822	16,085,582
Additions	724,447	227,263	951,710
Disposals	0	0	0
	<u>16,250,207</u>	<u>787,085</u>	<u>17,037,292</u>
At end of year			
Depreciation			
At start of year	881,186	380,475	1,261,661
Charge for period	325,006	52,131	377,137
On disposals	0	0	0
	<u>1,206,192</u>	<u>432,606</u>	<u>1,638,798</u>
At end of year			
Net book value			
At end of year	<u>15,044,015</u>	<u>354,479</u>	<u>15,398,494</u>
At start of year	<u>14,644,574</u>	<u>179,347</u>	<u>14,823,921</u>

COLLEGE

	Land & buildings		
	Freehold	Equipment	Total
	£	£	£
Cost			
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Additions	724,447	227,263	951,710
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At start of year	<u>14,644,574</u>	<u>179,347</u>	<u>14,823,921</u>

LINCOLN COLLEGE
Notes to the Financial Statements
Year ended 31 July 2006

9 FIXED ASSET INVESTMENTS

	CONSOLIDATED		COLLEGE	
	£		£	
At start and end of year	0		1,000	
	CONSOLIDATED		COLLEGE	
	2006	2005	2006	2005
	£	£	£	£
Investments stated at cost	0	0	1,000	1,000
Subsidiary undertakings				

The College owns 100% of the issued share capital of Lincoln College Enterprises Limited, a company incorporated in England and Wales. The principal business activity of Lincoln College Enterprises Limited is the management of construction contracts on behalf of the College.

10 ENDOWMENT ASSET INVESTMENTS

	CONSOLIDATED			COLLEGE		
	Securities & cash	Land & property	Total	Securities & cash	Land & property	Total
	£	£	£	£	£	£
At market value						
At start of year	18,624,143	21,641,000	40,265,143	17,576,800	21,641,000	39,217,800
Purchases at cost	5,333,067	0	5,333,067	5,322,222	0	5,322,222
Sales proceeds	(1,869,200)	(136,513)	(2,005,713)	(1,869,200)	(136,513)	(2,005,713)
Increase in cash held by fund manager	251,718		251,718	251,718		251,718
Revaluation gains	1,806,110	7,364,913	9,171,023	1,806,110	7,364,913	9,171,023
At end of year	24,145,838	28,869,400	53,015,238	23,087,650	28,869,400	51,957,050
Analysed as						
Equities (listed)	21,931,726			20,873,538		
Unlisted securities	1,657,453			1,657,453		
Cash	556,659			556,659		
	24,145,838			23,087,650		
Historical cost at end of year	20,332,176			19,273,988		

Estates land and property valuations as at 31 July 2006 have been made by Laws & Fiennes, the College land agent, the basis of valuation being market. These valuations incorporate independent triennial valuations by firms of Chartered Surveyors which were carried out as at 31 July 2006.

11 DEBTORS

	CONSOLIDATED		COLLEGE	
	2006	2005	2006	2005
	£	£	£	£
Amounts falling due within one year				
Trade debtors	590,268	189,077	590,268	189,077
Amounts owed by College members	174,619	94,537	174,619	94,537
Amounts owed by group undertakings	0	0	60,368	132,149
Loans	0	400	0	400
Prepayments and accrued income	558,762	415,627	554,187	307,366
Amounts falling due after more than one year				
Loans	86,520	62,320	86,520	62,320
	1,410,169	761,961	1,465,962	785,849

LINCOLN COLLEGE
Notes to the Financial Statements
Year ended 31 July 2006

12 CREDITORS: AMOUNT FALLING DUE WITHIN ONE YEAR

	CONSOLIDATED		COLLEGE	
	2006	2005	2006	2005
	£	£	£	£
Trade creditors	192,991	80,308	192,026	70,576
College Contribution	92,211	40,199	92,211	40,199
Other taxation and social security	41,578	24,282	13,500	24,282
Accruals and deferred income	211,224	342,455	209,974	147,676
Other creditors	231,678	178,009	231,678	178,009
	<u>769,682</u>	<u>665,253</u>	<u>739,389</u>	<u>460,742</u>

13 DEFERRED CAPITAL

	CONSOLIDATED	COLLEGE
	£	£
At start of year	5,834,358	5,834,358
New capital	2,618,928	2,618,928
Released to income and expenditure account (note 2)	(169,066)	(169,066)
At end of year	<u>8,284,220</u>	<u>8,284,220</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.

LINCOLN COLLEGE
Notes to the Financial Statements
Year ended 31 July 2006

14 ENDOWMENTS

	CONSOLIDATED			COLLEGE		
	Specific £	General £	Total £	Specific £	General £	Total £
At start of year	12,711,437	27,553,706	40,265,143	11,664,094	27,553,706	39,217,800
Endowments received	1,052,456	(70)	1,052,386	1,052,456	(70)	1,052,386
Appreciation of endowment investments	2,453,000	6,718,023	9,171,023	2,453,000	6,718,023	9,171,023
Income receivable from endowment asset investments	453,510	1,749,229	2,202,739	416,072	1,749,229	2,165,301
Transferred to income and expenditure account (note 3)	(374,708)	(1,749,229)	(2,123,937)	(348,115)	(1,749,229)	(2,097,344)
Transfer from reserves (note 15)		2,447,884	2,447,884		2,447,884	2,447,884
At end of year	16,295,695	36,719,543	53,015,238	15,237,507	36,719,543	51,957,050

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.

Specific endowments (consolidated and College) include funds valued at £52,894 (2005 £51,069) which provide income for purposes that lie outside the objects of the College. Income arising amounted to £1,825 (2005 £2,390).

15 RESERVES

GENERAL RESERVES

	CONSOLIDATED		COLLEGE	
	£		£	
At start of year	9,756,790		9,756,708	
Surplus from income and expenditure account	867,235		867,235	
Transfer (to) endowment (note 14)	(2,447,884)		(2,447,884)	
At end of year	8,176,141		8,176,059	

	CONSOLIDATED		COLLEGE	
	2006 £	2005 £	2006 £	2005 £
Representing:				
Undepreciated cost of tangible fixed assets financed out of general reserve	7,114,274	8,989,563	7,114,274	8,989,563
College general reserve	1,061,867	767,227	1,061,785	767,145
	8,176,141	9,756,790	8,176,059	9,756,708

LINCOLN COLLEGE
Notes to the Financial Statements
Year ended 31 July 2006

16 CAPITAL COMMITMENTS

CONSOLIDATED AND COLLEGE

Commitments contracted at 31 July

2006	2005
£	£
0	0

17 FINANCIAL COMMITMENTS

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

18 POST BALANCE SHEET EVENTS

There have been no material post balance sheet events which require disclosure

**19 RECONCILIATION OF CONSOLIDATED OPERATING SURPLUS TO NET CASH
INFLOW FROM OPERATING ACTIVITIES**

	2006	2005
	£	£
Surplus for the year	867,235	656,230
Depreciation	377,137	154,837
Endowment income and interest receivable	(2,160,782)	(1,887,386)
Release of deferred capital contributions	(169,066)	0
(Increase)/decrease in stocks	(12,264)	2,522
(Increase)/(decrease) in debtors	(648,208)	314,223
Increase/(decrease) in creditors	104,429	(46,788)
(Decrease) in provisions	0	(774,312)
	<u>(1,641,519)</u>	<u>(1,580,674)</u>

20 ANALYSIS OF CHANGES IN NET FUNDS

	2006	Changes	2005
	£	£	£
Cash at bank and in hand	278,273	(261,403)	539,676
Endowment assets cash	556,659	251,718	304,941
	<u>834,932</u>	<u>(9,685)</u>	<u>844,617</u>

21 CONTINGENT LIABILITIES

There are no material contingent liabilities at the balance sheet date (2005 nil).

22 RELATED PARTY TRANSACTIONS

There are no material related party transactions that are required to be disclosed under FRS 8.